2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
AUGUST 31, 2023 AND 2022

A COMPONENT UNIT OF THE CITY OF EL PASO, TEXAS

Annual Comprehensive Financial Report
For Fiscal Year Ended August 31, 2023 and 2022

Robert Ash
Executive Director

City of El Paso Employees Retirement Trust
1039 Chelsea St.
El Paso, Texas 79903
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www.eppension.org
A Component Unit of the City of El Paso, Texas

Prepared by the Staff of the
City of El Paso Employees Retirement Trust

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INTRODUCTORY SECTION

February 22, 2024

Board of Trustees
City of El Paso Employees Retirement Trust
1039 Chelsea St.
El Paso, Texas 79903

Members of the Board of Trustees:

Attached is the Annual Comprehensive Financial Report (hereinafter referred to as "ACFR") of the City of El Paso Employees Retirement Trust. This ACFR is more detailed than the Annual Financial Report booklet which we provide to you as a quick guide regarding the accounting and actuarial position of the Trust.

The Trust's office staff has compiled the information included in this report from several sources. These sources included the most recent audited financial statements and actuarial valuations. As you know the Trust is guided by the plan document found in Section 2.64 of the El Paso Municipal Code but also by Rules and Regulations, not inconsistent with the plan document. Therefore some of the information in this document comes from various policies or rules approved by the Board of Trustees. We believe the contents fairly reflect the current accounting and actuarial position of the Trust as has been reported to the Board by outside professional accounting and actuarial firms.

The ACFR includes five main areas of focus:

Area One: Introductory letter, Trust organization, consultants, investment managers, and Summary Plan Description.

Area Two: Financial Section which includes the most recent current audit report from the Trust's Independent Auditors including the financial statements, notes to the financial statements, and supplementary information.

Area Three: Investments denoting investment activity, policies, historical returns, and miscellaneous investment schedules.

Area Four: Actuarial information which includes the results from the most recent actuarial valuation.

Area Five: Recent plan changes and data.

This ACFR is designed to be a tool in order to gain additional understanding of the City of El Paso Employees Retirement Trust. However, our staff remains available to answer any specific questions regarding the information contained in this report.

Financial Information

The most recent independent audit performed by the Trust's independent auditors, Carr, Riggs and Ingram LLC, contains a description of the services they provided and the methods used during the audit. Each year, as required by law, the Trust engages a professional audit firm to review the Trust's accounting information and internal controls and issue an opinion regarding the operations of the Trust and the related financial statements for the year. Included in their report are notes. The notes help explain some of the accounting treatment for certain aspects of Trust operations. In addition, the Board in conjunction with Trust staff prepared a Management Discussion and Analysis (hereinafter referred to as "MD&A"). This discussion is also included in the annual audit. The MD&A highlights the financial operations during the year and identifies any significant changes made during the year.

The Trust's independent auditors have issued an unmodified opinion for many years. In addition, there have been limited management comments made by the auditors as a result of their review. No management letter comments were received for the latest audit. The resulting opinions have provided reasonable assurance to the Board, plan participants, and retirees that the financial statements present fairly, in all material respects, the net trust assets available for pension benefits and that the financial statements are in conformity with Generally Accepted Accounting Principles or "GAAP". There were no major accounting changes for the fiscal year ended August 31, 2023.

The Comptroller of the plan sponsor provides unaudited financial reports to the Board at each Board meeting. The Board is able to ask questions of the Comptroller and staff regarding the Treasurer's reports. The Comptroller or her representative(s) are able to attend such monthly Investment Committee meetings.

The Trust management provides for a system of internal controls with the purpose of providing reasonable rather than an absolute assurance that the financial statements are free from material misstatements. Internal controls are evaluated by the Trust's independent auditors in the process of conducting the Trust's annual audit. While it is possible to implement certain additional internal controls the costs to incorporate these additional controls are at times not cost-effective and therefore not implemented. The staff and Financial Oversight Committee of the Board discuss internal controls with the Trust's independent auditors during the entrance and exit conferences. Internal controls are considered using a cost/benefit analysis. In addition, the City's Internal Audit Department periodically conducts reviews which include an assessment of the Trust's internal controls.

Organization

The City of El Paso Employees Retirement Trust is a multi-employer defined benefit pension trust which has been in continuous operation for over 70 years. While it is currently defined as a multiple-employer plan the plan currently consists of one main employer which is the City of El Paso. The participants in the plan are governed by the plan document found in Section 2.64 of the El Paso Municipal Code.

The pension staff and some employees of related agencies are also participants in the retirement trust. The plan is governed by a local ordinance passed by the City Council of the City of El Paso and can only be amended by the plan sponsor, the City of El Paso. The trust provides benefits to retired employees of the City of El Paso except for those employees who participate in the El Paso Fire and Police Pension plans, temporary employees, some contract employees, and elected officials.

The Board of Trustees of the Trust manages the Trust with the assistance of employees hired by the Board. The Board is comprised, pursuant to the plan document, of 2 elected members of the El Paso City Council, 1 retiree member, 4 elected employees who are eligible to participate in the Trust, and 2 outside citizens. The 2 City Council members, the retiree representative, and 2 citizen appointees are appointed by the City and serve for 2-year terms. The employee representatives are elected by Trust participants and serve 4-year terms. For board appointments after April 2018, no City Council, citizen, or retiree member appointee may hold a board position for more than 8 years throughout their lifetime. There are no limits on the number of terms in which an elected Board member may serve so long as they remain qualified to serve.

Investments

The Trust's overall investment objective is to achieve the highest level of return with a prudent level of risk. Trust investments and asset allocations are developed by the Board with the advice from the Trust's professional investment consultant. The Trust invests with a long-term objective of funding retirement benefits over generations. The Trust has developed an investment policy that is monitored and modified from time to time as may be desirable at the discretion of the Board with input from the Trust's professional investment consultant.

Investments are made by the Board with the goal of achieving a long-term return of at least the actuarial rate of return which is currently 7.25 percent. Another goal of the Trust is to make strategic allocations to maximize possible returns with a reasonable risk tolerance by diversifying the investment options within the Trust's investment portfolio.

Actuarial Information

The Board is required to perform an actuarial valuation at least every two years. The Trust hires an enrolled actuary for this purpose. The Trust's actuary, Buck Global, LLC provides the Board with critical information regarding how well funded the plan is at the time of the actuarial valuation. The actuary also assists the Board in maintaining reasonable assumptions in the actuarial valuations by performing Experience Studies every four years. Experience studies are conducted periodically with the last one completed in 2023. The Trust has a goal of maintaining an amortization period for any unfunded actuarial accrued liability which complies with the period required by GASB and the Texas State Pension Review Board which is currently twenty-five years. The Trust has requested that interim valuations be performed in the intervening years when a full actuary is not performed. The interim valuation is used by the Board to provide a less exact snapshot in time of the Trust's actuarial position. As of the end of the last fiscal year, the amount of the unfunded actuarial accrued liability was $251,903,575 and the funding period was 17 years. Investment returns for the past year were positive, up about 3.4 percent, which was less than the assumed investment return of 7.25 percent. The investment returns were less than the assumed investment return rate which is primarily responsible for the increase in the years to amortize the unfunded liability by 3 years. The market value of the Trust's assets increased by about 90.5 thousand dollars and the years to amortize the unfunded liability increased to 17 years. The funding ratio, based on the actuarial value of assets, at the end of fiscal year 2023, was 79.4 percent.

The Trust's current amortization period for the unfunded actuarial accrued liability is within the goals of the Trust. The amortization period is below that required by GASB and the Texas State Pension Review Board. However, Trust management continues to strive to reduce the unfunded actuarial accrued liability and the resulting amortization period.

In order to improve the financial position of the Trust, the City of El Paso in consultation with the Board of Trustees created a second tier of benefits for those participants who were hired after August 31, 2011. At that time vesting and the amount of contributions were changed. Other changes were also made to the benefit of the second-tier group of participants. Members of the second tier of benefits were not generally able to retire under the new provisions until August 2018. Please refer to the actuarial section of the ACFR regarding additional actuarial details.

This ACFR is prepared by the staff of the Board of Trustees who in concert with the Board of Trustees, as management, is responsible for the information contained in the ACFR. Trust management, its auditors, actuary, and investment consultants have worked to prepare an accurate ACFR, and their efforts in this regard are greatly appreciated. Information included in this ACFR is believed to be comprehensive and made based upon the best information available as of the date of completion. Much of the information necessarily related back to the end of the most recent fiscal year. Should you have any questions regarding the information in the ACFR please do not hesitate to contact me or any member of the staff.

Sincerely,

Robert Ash
Executive Director/Board Secretary

Board of Trustees

The current members of the City of El Paso Employees Retirement Trust Board of Trustees are:

Appointed Members

Matt C. Kerr
Chairman

Deborah G. Hamlyn

Rene Peña

Rep. Art Fierro

Rep. Joe Molinar

Elected Members

Karl C. Rimkus
Vice-Chairman

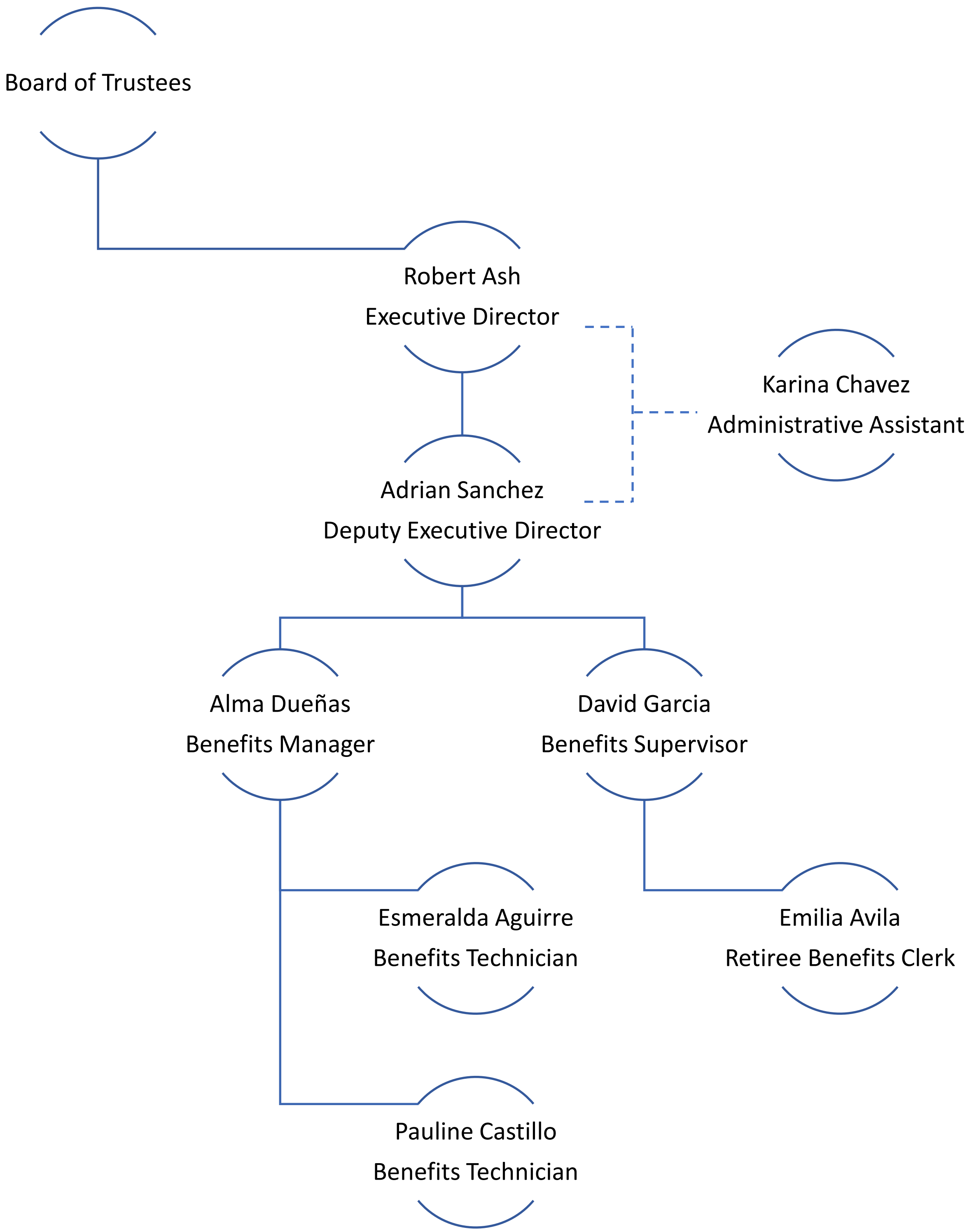
Karina Brasgalla

Robert Studer

Isaura Valdez

The Retirement Trust Executive Director serves as Secretary to the Board but does not vote and is not counted for purposes of establishing a quorum.

Administrative Organization



PROFESSIONAL SERVICE PROVIDERS

Actuary

Buck Global LLC

Auditors

Carr, Riggs & Ingram CPAs and Advisors

Custodian

BNY Mellon Asset Servicing

Legal Counsel

Eduardo Miranda
General Counsel
Gordon, Davis, Johnson & Shane P.C.
Tax Counsel

Investment Consultant

Callan LLC

See the Investment Section of this report for list of investment managers on page 63, schedule of management fees and broker commissions on page 85, and schedule of direct and indirect fees and commissions on page 86.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Paso Employees Retirement Trust
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
810 East Yandell Drive
El Paso, TX 79902

915.532.8400
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
City of El Paso Employees Retirement Trust
El Paso, Texas

Opinions

We have audited the accompanying financial statements of the City of El Paso Employee Retirement Trust (the "Fund"), a component unit of the City of El Paso, Texas (the "City"), which comprise the statements of fiduciary net position as of August 31, 2023 and 2022, the statements of changes in fiduciary net positon for the years then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of August 31, 2023 and 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the Fund are intended to present the financial position, and the changes in financial position of only the Fund. They do not purport to and do not present fairly the financial position of the City of El Paso, Texas as of August 31, 2023 and 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 to 17 and the required supplementary information, as listed in the table of contents, on pages 47 to 52 be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, investment section, actuarial section, and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
El Paso, Texas
February 22, 2024

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) on the financial performance of City of El Paso Employees Retirement Trust (the "Fund") provides an overview of the Fund's financial activities for the fiscal year ended August 31, 2023. For more detailed information regarding the Fund's financial activities, the reader should also review the actual financial statements, including notes and supplementary schedules.

2023 FINANCIAL HIGHLIGHTS

Net position held in trust for pension benefits (net position) increased during the fiscal year 2023 by $6 million.

The major reason for the increase in net assets was due to the performance of the capital markets, which resulted in net investment gain of $32.6 million. Employer and plan member contributions totaled $51.6 million, an increase of $8.8 million from the previous fiscal year. The increase in contributions was primarily due to increases in employee pay rates. The cash balances includes cash held by investment managers used for investments and cash at the fund's custodial bank used to pay for operation expenses.

Benefit payments made during fiscal year 2023 totaled $77.2 million, a decrease of $0.8 million from the fiscal year 2022 mainly due to a COLA being paid in FY22 and not in FY23.

2022 FINANCIAL HIGHLIGHTS

Net position held in trust for pension benefits (net position) decreased during the fiscal year 2022 by $130 million.

The major reason for the decrease in net assets was due to the performance of the capital markets, which resulted in net investment loss of $87.6 million. Employer and plan member contributions totaled $42.8 million, an increase of $2.1 million from the previous fiscal year. The decrease in contributions was primarily due to a decrease in employee pay rates. The cash balances includes cash held by investment managers used for investments and cash at the fund's custodial bank used to pay for operation expenses.

Benefit payments made during fiscal year 2022 totaled $78 million, an increase of $2.3 million over the fiscal year 2021 mainly due to an increase in number of retirees and larger benefit payments to the new retirees.

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Management's Discussion and Analysis

FINANCIAL STATEMENTS

The financial statements of the Fund include statements of fiduciary net position and changes in fiduciary net position available for benefits. The purpose of these statements is to present information about the Fund's present and future ability to pay benefits when they are due. These statements are presented using an economic resource measurement focus and the accrual basis of accounting.

The financial statements also include notes that explain the history and purpose of the Fund, significant accounting policies, investment details, statutory disclosures and other required supplementary information regarding the financial position of the Fund.

SUMMARIZED FINANCIAL INFORMATION

The following table displays the total assets, liabilities and net position of the Fund:

Condensed Financial Information

	Year Ended August 31, 2023			Changes	
	2023	**2022**	**2021**	**2022**	**2021**
Assets	**$ 916,979,601**	$ 910,568,533	$1,040,728,155	0.70%	-12.51%
Liabilities	**2,667,710**	2,294,622	2,044,009	16.26%	12.26%
Net position	**$ 914,311,891**	$ 908,273,911	$1,038,684,146	0.66%	-12.56%

The total net position increased by $6,037,980, less than 1%, during the fiscal year 2023 to $914,311,891. The increase in net position is primarily a result of the fair value of investment assets increasing due to positive performance of capital markets during the current year. Total net position decreased by $130,410,235, or 12.6%, during fiscal year 2022 to $908,273,911. The decrease in net position was primarily a result of the fair value of investment assets decreasing due to negative performance of the capital markets during the year.

SUMMARIZED FINANCIAL INFORMATION (Continued)

The following table displays the changes in plan net position of the Fund:

	Year Ended August 31, 2023			Changes	
	2023	**2022**	**2021**	**2023-2022**	**2022-2021**
Contributions	**$ 51,638,492**	$ 42,762,191	$ 40,702,548	20.76%	5.06%
Net investment income	**37,732,148**	(87,579,875)	202,050,667	-143.08%	-143.35%
Total additions	**89,370,640**	(44,817,684)	242,753,215	-299.41%	-118.46%
Benefits paid to plan members	**77,170,433**	78,002,080	75,728,963	-1.07%	3.00%
Refunds	**3,848,122**	5,441,578	3,804,288	-29.28%	43.04%
Prepaid COLA payments	**48,000**	216,000	84,000	-77.78%	157.14%
Administrative expenses	**2,266,105**	1,932,893	2,441,214	17.24%	-20.82%
Total deductions	**83,332,660**	85,592,551	82,058,465	-2.64%	4.31%
Net increase (decrease) in net position	**$ 6,037,980**	$ (130,410,235)	$ 160,694,750	-104.63%	-181.15%

Contributions increased during fiscal year 2023 and 2022 primarily due to increases in employee pay rates. Benefits paid decreased during fiscal year 2023 due to a decrease in the number of retirees.

Administrative expenses increased during fiscal year 2023 related to a increase in consulting fees, legal fees, actuary, other operating expenses and miscellaneous expenses. During fiscal year 2022, administrative expenses decreased due to an decrease in custodial fees, consulting fees, legal fees, wages and benefits, and other operating expenses.

FINANCIAL CONTACT

Any questions regarding financial statements of the Fund should be directed to the Fund Administrator, 1039 Chelsea Street, El Paso, Texas 79903 or by telephoning (915) 212-0112.

BASIC FINANCIAL SECTION

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Statements of Fiduciary Net Position

August 31,	2023	2022
Assets		
Cash and cash equivalents	**$ 9,483,313**	$ 16,371,921
Receivables		
Commission credits receivable	**1,869**	7,883
Employer contributions	**971,295**	1,249,208
Plan member contributions	**1,524,780**	795,561
Accrued interest and dividends	**378,927**	106,459
Total receivables	**2,876,871**	2,159,111
Prepaid insurance	**25,035**	23,210
Investments, at fair value		
U.S. government securities	**30,463,493**	-
Bank collective investment funds	**475,660,095**	435,935,431
Commingled funds		
Fixed income	**111,874,084**	151,225,313
Corporate stocks	**52,355,203**	52,467,826
Private real estate	**92,504,202**	108,186,000
Private equity investments	**139,705,018**	141,925,312
Total investments, at fair value	**902,562,095**	889,739,882
Capital assets		
Capital assets not being depreciated	**521,174**	571,674
Capital assets being depreciated	**2,674,006**	2,623,506
Less accumulated depreciation	**(1,162,893)**	(920,771)
Total capitals assets	**2,032,287**	2,274,409
Total assets	**916,979,601**	910,568,533
Liabilities		
Accrued expenses	**2,665,841**	2,286,739
Unearned revenue-commission credits	**1,869**	7,883
Total liabilities	**2,667,710**	2,294,622
Net position - restricted for pensions	**$ 914,311,891**	$ 908,273,911

The accompanying notes are an integral part of these financial statements.

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Statements of Changes in Fiduciary Net Position

For the years ended August 31,	2023	2022
Additions		
Contributions		
Employer	**$ 33,055,632**	$ 26,096,411
Plan members	**18,582,860**	16,665,780
Total contributions	**51,638,492**	42,762,191
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	**33,125,191**	(89,489,954)
Interest	**2,194,209**	793,010
Dividends	**4,372,122**	3,597,637
Investment advisor fees	**(1,959,424)**	(2,480,568)
Miscellaneous income	**50**	-
Net investment income (loss)	**37,732,148**	(87,579,875)
Total additions	**89,370,640**	(44,817,684)
Deletions		
Benefits paid to plan members	**77,170,433**	78,002,080
Refunds	**3,848,122**	5,441,578
Prudential COLA payments	**48,000**	216,000
Administrative expenses	**2,266,105**	1,932,893
Total deletions	**83,332,660**	85,592,551
Net increase (decrease) in fiduciary net position	**6,037,980**	(130,410,235)
Net position restricted for pensions, beginning of year	**908,273,911**	1,038,684,146
Net position restricted for pensions, end of year	**$ 914,311,891**	$ 908,273,911

The accompanying notes are an integral part of these financial statements.

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Notes to Financial Statements

Note 1: DESCRIPTION OF THE PLAN

The City of El Paso Employees Retirement Trust (“Fund” or “Plan”) is a single-employer Public Employee Retirement System (“PERS”) defined benefit plan administered by the Board of Trustees (“Board”) of the Fund and was established in accordance with authority granted by Chapter 2.64 of the *El Paso City Code.* The Fund is a component unit (fiduciary fund type) of the City of El Paso, Texas (“City”).

General

The designated purpose of the Fund is to provide retirement, death and disability benefits to participants or their beneficiaries. The Fund is administered by the Board of Directors, which is comprised of two citizens, who are not officers of employees of the City, nominated by the mayor and approved by city council, four elected City employees, a retiree and two district representatives as designated by city council. The Board contracts with an independent pension custodian, investment managers, and investment consultant, and actuary and an attorney to assist in managing the Fund.

Eligibility

Substantially all full-time employees of the City are eligible to participate in the Plan, except for uniformed firefighters and police officers who are covered under separate plans. Nonemployer contributions are limited to participating employees of the Fund.

The Fund’s membership was as follows at August 31:

	2023	2022
Inactive plan members (or their beneficiaries) currently receiving benefits	4,453	3,657
Inactive plan members entitled to but not yet receiving benefits	162	173
Active plan members	4,309	4,128
Total plan members	8,924	7,958

Contributions

Through August 31, 2023 and 2022, the City is the only contributing employer. The Fund pays direct administrative costs. The City provides indirect administrative support such as IT services. The Fund reimburses the City for various costs of processing pension checks, such as postage and supplies.

Note 1: DESCRIPTION OF THE PLAN (Continued)

Contributions (Continued)

Contribution rates for the Fund are based upon local statutes as enacted by the El Paso City Council and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial liability (using entry-age-normal cost method) over 30 years. As of the most recent actuarial valuation, the contribution rate was 23.00% of annual covered payroll.

Contributions were made as follows:

	Employer Contributions		Employee Contributions		Total	
For the Years Ended August 31,	Amount	Stated Percentage of Covered Payroll	Amount	Stated Percentage of Covered Payroll	Amount	Stated Percentage of Covered Payroll
2023	$ 33,055,632	14.05%	$ 18,582,860	8.95%	$ 51,638,492	23.00%
2022	26,096,411	14.05%	16,665,780	8.95%	42,762,191	23.00%
2021	25,296,642	14.05%	16,114,139	8.95%	41,410,781	23.00%

The Fund is not required to maintain any legally required reserves.

Vesting

Participation is mandatory for classified employees (except permanent part-time employees). For non-classified employees, participation is mandatory for employees hired after July 1997. Classified employees include all persons who are permanent, full-time employees and are not otherwise excluded from the Fund.

Members who were first participants prior to September 1, 2011, accrue benefits based on Tier I provisions as follows:

> Participants who leave the Plan before completion of five years of service receive a refund of their contributions. Participants leaving the Plan with more than five years by less than 10 years of service may receive a refund of the contributions plus interest at 5.5% compounded annually.

Note 1: DESCRIPTION OF THE PLAN (Continued)

Vesting (Continued)

Participants become fully vested after reaching 40 years of age and 10 years of service or 45 years of age and 7 years of service. Normal retirement is the earlier of: (i) 55 years of age with 10 years of service, (ii) 60 years of age with 7 years of service or (iii) 30 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.5% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, or 2.5 % of the average monthly base salary received by the employee during the year immediately prior to retirement, or 2.5% of the monthly base salary pay for the month immediately prior to retirement, whichever is greater, multiplied by the number of completed years of service, plus 0.2083 of 1% of such average for each additional completed or fractional part of a month of service.

Members who were first participants on or after September 1, 2011, accrue benefits based on Tier II provisions as follows:

Participants who leave the Plan before completion of seven years of service receive a refund of their contributions. Participants leaving the Plan with more than seven years but less than 10 years of service may receive a refund of their contributions plus interest at 3% compounded annually.

Participants become fully vested after reaching 45 years of age and seven years of service. Normal retirement is the earlier of: (i) 60 years of age with 7 years of service, or (ii) 35 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.25% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, multiplied by the number of completed years of service, plus .1875 of 1% of such average for each additional completed or fractional part of a month of service, limited to 90% of the 3 year average final pay.

A pension benefit is available to surviving spouses and dependents. The Plan includes no automatic increase in retirement benefits. However, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad-hoc costs of living or other increases in retirement benefits.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting policies of the Fund have been established to conform to generally accepted accounting principles for state and local governments as promulgated by authoritative pronouncements issued by the Governmental Accounting Standards Board. The Fund is accounted for on an economic resources measurement focus using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Fund's management to make estimate and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities and the actuarial valuation of the Fund's benefits at the date of the financial statements, and the reported changes in fiduciary net position during the reporting period. Actual results may differ from those estimates.

Valuation of Investments

Investments are stated at fair value in the accompanying statements of fiduciary net position. The fair value of marketable investments, including U.S government securities, corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at statements of fiduciary net position dates. The fair value of investment in bank collective investment, commingled funds, real estate investment funds and private equity limited partnerships are determined by the investment managers based on fair value of the underlying securities in the funds. In general, the fair value of the underlying securities held in real estate investment funds are based upon property appraisal reports prepared by independent real estate appraisers (members of the Appraisal Institute or an equivalent organization) within a reasonable amount of time following acquisition of the real estate and no less frequently than annually thereafter. In general, the fair value of the underlying securities held in private equity limited partnerships are based on Government Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement,* and limited partnership financial statements are audited by independent certified public accountants. Bank collective investment funds are governed by Section 9.18 of Regulation 9 issued by the Office of Comptroller of the Currency and by the other applicable regulations as defined by the Mellon Bank, N.A. Employee Benefit Collective Investment Fund Plan.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Valuation of Investments (Continued)

Net appreciation in fair value of investments reflected in the accompanying statements of changes in fiduciary net position represents gains or losses realized during the year plus or minus the change in the net unrealized gains or losses on investments. The change in net unrealized gains or losses on investments represents the change in the difference between the cost and fair value of investments at the beginning versus the end of the fiscal year.

Receivables

All receivables are reported at their gross value. In the statement of fiduciary net position, employer and employee contributions are recorded based on amounts earned by the employees through August 31, 2023 and 2022. Employer and employee contributions are considered to be 100% collectible.

Revenue and Expense Recognition

Plan member and employer contributions are recognized (additions) in the period in which the plan member services are performed. Benefits and refunds are recognized when paid in accordance with the terms of the Plan. Expenses (deductions) are recognized as incurred.

The Fund's brokers accumulate commission rebates that are restricted for the use by the Fund under agreements with brokers for capital expenditures, research and development and investment-related expenditures. Proposed expenditures of these funds go before the Board for approval. Brokers provide the Fund detailed statements on commission rebates with credits earned and requested payments. Knowing that direct brokerage commission rebates are available, investment managers use these brokers as directed by the Fund's *Investment Rules and Regulations.* The available credits are reported as unearned revenue until such time as qualifying expenditures are made, in which the use of the credits is reported as a reduction in the appropriate expense categories in the accompanying statements of changes in fiduciary net position.

Capital Assets

GASB standards require that all capital assets be recorded and depreciated in the statements of fiduciary net position and changes in fiduciary net position.

Capital assets are defined as assets with an initial cost of $5,000 or more and an estimated useful life greater than one year. Capital assets are recorded at cost, if purchased or constructed, or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major improvements are capitalized and depreciated over the estimated remaining useful lives of the related capital assets. Capital assets are depreciated or amortized using the straight-line method and the following estimated useful lives:

Building and improvements	25 to 50 years
Furniture and equipment	5 to 12 years
Software	5 years

When capital assets are retired from service or otherwise disposed of, any gain or loss on disposal of assets is recognized.

Securities Lending Transactions

The Fund enters into securities lending transactions with broker/dealers for which fees are paid to the Fund and are recognized as revenue during the periods in which they were loaned. The Board may legally and contractually authorize the use of the Fund's securities for lending transactions. The securities involved in the lending transactions continue to be recorded at fair value in the accompanying financial statements. Parameters are established by the Fund's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and that securities lending transactions be collateralized using U.S. issuer securities at 102% and non-U.S. issuer securities at 105% of the fair value of the securities loaned. U.S. issued securities used as collateral are marked to the market on a daily basis to evaluate whether the collateralization requirements of the fair value of investments is always maintained. The Fund may not pledge or sell the collateral securities except on default of the borrower and therefore not recorded as assets in the accompanying financial statements. Because of this, the Fund administration believes there is some minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to the Fund by the investment managers to broker/dealers. The Fund did not have any securities lending transactions as of the years ended August 31, 2023 or 2022.

Due to Brokers

The liability for due to brokers for securities purchased consist of unpaid amounts for security purchases.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued expenses

Accrued expenses are comprised of unpaid investment advisor fees, the payroll expenditures based of amounts earned by the employees through August 31, 2023 and 2022, along with applicable Social Security Taxes and Medicare payable.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in value of investment securities will occur in the near term and that these changes could materially affect amounts reported in the Plan's financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 22, 2024. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

During the fiscal year ended August 31, 2023, the Fund adopted GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

The implementation of GASB Statements No. 91, 94, 96, and 99 did not affect the Fund in a material manner.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The requirements of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

The Fund is evaluating the requirements of the above statements and the impact on reporting.

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING

The Fund’s cash equivalents and investments are managed by various investment managers who have discretionary authority over the assets managed by them, within the investment guidelines established by the Board, under contracts with the Fund. The cash equivalents and investments are held by the Fund’s custodian in the Fund’s name. The cash equivalents and investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities, domestic and foreign corporate debt and equity securities, real estate trusts and financial derivatives. Certain investment managers have invested in certain bank collective investment funds, which invest primarily in U.S. corporate stocks and government bonds. The bank collective funds may also invest in foreign exchange contracts, stock index futures and temporary collective investment funds and may enter into collateralized securities lending transactions. Certain investment managers also invest in private equity limited partnerships.

Through adherence to the Fund’s Investment Rules and Regulations, management attempts to limit or mitigate certain risks. Certain of these requirements are listed below:

- **Large Cap Index Equity Managers** - Investment is passively managed and is made using commingled funds. As such, the investment guidelines are governed by the fund’s prospectus. Permissible investments at S&P 500 Index or Russell 1000 commingled funds or exchange-traded funds (“ETFs”).

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

- **Large Cap Managers -** Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will actively allocate assets across the equity, fixed income and cash markets of the U.S. The assets of the portfolio may be invested in securities, derivatives and a combination of other collective funds. Long and short positions in financial futures, options on financial futures, index options, exchange-traded options and over-the-counter options, may be used.

- **Small/Mid Cap Equity Managers** - Under current policies, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations greater than $100 million and under $5 billion; the market capitalization of certain securities may be less than or greater than this range at times. The portfolio may invest in publicly traded stocks of U.S. corporations, as well as real estate investment trusts ("REITs"), preferred stocks, convertible securities, American depositary receipts ("ADRs") of non-U.S. issuers, , publicly traded stocks of foreign corporations listed on U.S. stock exchanges, Exchange Traded Funds ("ETFs"), futures and short-term investments, money market instruments or equivalent. Leverage, short sales and buying and selling on margin are not permitted.

- **All Cap Equity Managers** - For the year ended August 31, 2023, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations that span the broad equity market in concentrated manner, generally with 20-80 holdings. The portfolio may invest in publicly traded stocks of U.S. corporations, ADRs, publicly traded stocks of foreign corporations, ETFs and short-term investments, money market instruments or equivalent. Leverage, short sales and buying and selling on margin are not permitted. No all cap equity was held at August 31, 2023.

- **International Equity-Developed Country Index Managers** - For the year ended August 31, 2023, investment passively managed is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments are MSCI EAFE Index commingled funds or ETFs. No International Equity-Developed Country Index was held at August 31, 2023.

- **International Equity-All Country Managers** - For the year ended August 31, 2023, investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will invest primarily in equity-related securities of issuers that are located in, or that do significant business in countries other than the United States, including emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. For the year ended August 31, 2023,the maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging markets weight is the MSCI ACWI ex-US IMI Index weight plus 15%. No International Equity-All Country was held at August 31, 2023.

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

- **International Equity-Emerging Markets Managers** - For the year ended August 31, 2022, investment is made with commingled funds. As such, the investment guidelines are governed by the fund's prospectus. For the year ended August 31, 2022, the portfolio will invest in equity and equity-related securities of at least 80% of its assets in issuers that are located in, or that do significant business in emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 20% in any one county. No International Equity-Emerging Markets was held at August 31, 2023.

- **International Equity-All County Small Cap Managers** - For the year ended August 31, 2022, investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. For the year ended August 31, 2022, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in countries other than the United States, including emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging markets weight is the MSCI ACWI ex-US Small Cap Index weight plus 15%. No International Equity-All County Small Cap was held at August 31, 2023.

- **International Equity-All County ex-U.S. Investable Markets Index Managers** - This investment will be passively managed. Permissible investment are MSCI ACWI ex-U.S. IMI Index commingled funds or EFTs. As such, the investment guidelines will be governed by the fund's governing documents. No International Equity-All Country ex-U.S. Investable Market Index was held at August 31, 2023.

- **International Equity-All County ex-U.S. Investable Markets Managers** - This investment will be made using a commingled fund. As such, the investment guidelines will be governed by the fund's governing documents. The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries. No International Equity-All Country ex-U.S. Investable Market was held at August 31, 2023.

- **Fixed Income Core Index Managers** - Investments are passively managed and are made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. For August 31, 2023 permissible investments are Bloomberg Aggregate Bond Index commingled funds or ETFs. For August 31, 2022 permissible investments are Barclays Capital Aggregate Index commingled funds or ETFs.

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

- **Fixed Income Core Plus Managers** - Under current policies for the year ended August 31, 2023 and 2022, except for U.S. Treasury, its agencies, agency MBS and approved derivative products, the fixed income account shall not contain more than 5% of any issuer. The account may invest up to 20% and 35% in non-investment grade bonds for the year ended August 31, 2023 and 2022, respectively; defined as bonds that are rated non-investment grade by two of the three major ratings agencies. The dollar weighted credit quality of the account will generally be AA or less, with a minimum dollar weighted-average quality of BBB-. The effective duration of the account should range between +/- 1.5 years or +25%/-40% of the benchmark's duration for the year ended August 31, 2023 and 2022, respectively. The account will not employ leverage.

- **Real Estate Managers** - For the year ended August 31, 2023 and 2022, real estate investments will be diversified to the extent possible by geographic location and property type. For private real estate investments, managers should diversify the portfolio by property type and by various geographic regions of the U.S. Leverage is limited to no more than 30% of the fund.

- **Private Equity Managers** - As private equity fund-of-funds vehicles are commingled, closed-end, finite-life limited liability entities; the investment guidelines will be determined by the fund-of-funds legal documentation. The pooled/fund-of-funds vehicle should not represent more than 20% of the total fair value of the pooled/fund-of-fund. It is also preferred that this holds true for any other investor in the pooled/fund-of-funds. The manager of the fund-of-funds vehicle shall be a bank or a registered advisor under the *Investment Advisors Act of 1940.* If fund-of-funds provides the option of receiving distributions in cash or securities, the trust will opt to receive cash.

The following was the Board's adopted asset allocation policy as of August 31, 2023:

Asset Class	Target Allocation
Domestic equity	31%
International equity	21%
Fixed income	24%
Real estate	10%
Private equity	13%
Cash	1%
	100%

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Fund's investment policy does not specifically address custodial credit risk for deposits. As of August 31, 2023 and 2022, the Fund holds no deposits.

Investments

Interest rate risk is the risk that the fair value of securities will fall due to changes in market interest rates. The Fund's policy is to minimize interest rate risk by structuring the investment portfolio so that the duration securities are held and the coupon rates of such are appropriately diversified.

As of August 31, 2023 and 2022, the Fund had the following investments subject to interest rate risk:

	2023		2022	
Investment Type	**Fair Value**	**Weighted-Average Maturity (In Years)**	**Fair Value**	**Weighted-Average Maturity (In Years)**
Cash equivalents (money market funds)	$ 9,483,313	0.08	$ 16,371,921	0.08
Bank collective investment funds	475,660,095	-	435,935,431	-
Commingled funds	111,874,084	-	151,225,313	-
Total	$ 597,017,492		$ 603,532,665	
Portfolio weighted-average maturity		0.00		0.00

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Nationally-recognized statistical rating organizations assign ratings to measure credit risks. These rating agencies assess a firm's or government's willingness and ability to repay its debt obligations based on many factors.

The Fund employs one core bond manager that primarily invests in U.S. fixed income and non-U.S. fixed income securities. The Fund also invests in two commingled funds, one passive core fixed income index fund and one opportunistic fixed income fund. The investment management agreement between the Fund and its core bond manager contains specific guidelines that identify permitted fixed income investments.

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Notes to Financial Statements

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

Investments (Continued)

For the year ended August 31, 2023 and 2022 the Fund's investment policy indicates that the fixed income core plus manager may invest up to 35% of net assets in non-investment grade bonds, at time of purchase. The fixed income core plus portfolio obligations will generally have a dollar weighted average credit quality of generally AA or less, with a minimum dollar weighted average credit quality of BBB-.

The following table identifies the credit quality of the Fund's fixed income strategies based on portfolio holdings as of August 31, 2023 and 2022:

August 31, 2023

S&P Quality Rating	Total Fair Value	Asset-Backed Securities	Commercial Mortgaged-Backed Securities	Collateralized Mortgage Obligations	Corporates (a)	Government & Agency Obligations (b)
A+	$ 475,660,095	$ -	$ -	$ -	$ -	$ 475,660,095
NR	111,874,084	-	-	-	111,874,084	-
Totals	$ 587,534,179	$ -	$ -	$ -	$ 111,874,084	$ 475,660,095

(a) Corporate Bonds might include convertible preferred stocks and convertible bonds.
(b) Includes international and municipal holdings.

August 31, 2022

S&P Quality Rating	Total Fair Value	Asset-Backed Securities	Commercial Mortgaged-Backed Securities	Collateralized Mortgage Obligations	Corporates (a)	Government & Agency Obligations (b)
A+	$ 435,935,431	$ -	$ -	$ -	$ -	$ 435,935,431
NR	151,225,313	-	-	-	151,225,313	-
Totals	$ 587,160,744	$ -	$ -	$ -	$ 151,225,313	$ 435,935,431

(a) Corporate Bonds might include convertible preferred stocks and convertible bonds.
(b) Includes international and municipal holdings.

At August 31, 2023 and 2022, the Fund held various bond instruments in the aggregate fair value of $587,534,179 and $587,160,744, respectively. Fixed income core plus portfolios held bond instruments with ratings of BBB or better by Standard & Poor's. Approximately 19% of the portfolio was of non-investment grade bonds as of August 31, 2023.

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Notes to Financial Statements

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

Investments (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy does not allow for the investment portfolio to hold more than 10% in any one company. The following table represents the fair value of investments that represents 5% or more of the Fund's net position at August 31, 2023 and 2022.

These investments were in bank collective investment and commingled funds, which consist of diversified portfolios of investments as described above, and none of these investments consist of any one company holding 5% or more of the total investment.

	Shares/ Par Value	Fair Value
August 31, 2023		
BNYMM DB SL SCWI_EX US IMI		
Mellon Capital Management Corporation	7,803,458	$ 70,012,271
Mellon DB SL Stock Index Fund		
Mellon Capital Management Corporation	14,312	101,027,872
EB MCM Aggregate Bond Index Fund		
Mellon Capital Management Corporation	108,563	56,266,707
Blackrock Total Return Bond Fund		
Blackrock Capital Management	4,873,824	52,009,439
Wellington Fund		
Wellington Capital Management	4,755,241	52,355,208
Arrowstreet International Equity ACWI EX US CIT Class A		
Arrowstreet CIT	353,797	60,569,932
August 31, 2022		
BNYMM DB SL SCWI_EX US IMI		
Mellon Capital Management Corporation	8,146,022	$ 65,286,845
Mellon DB SL Stock Index Fund		
Mellon Capital Management Corporation	15,082	91,812,088
MCM Dynamic U.S Equity Fund		
Mellon Capital Management Corporation	164,253	79,404,909
EB MCM Aggregate Bond Index Fund		
Mellon Capital Management Corporation	194,486	101,965,171
Blackrock Total Return Bond Fund		
Blackrock Capital Management	4,883,178	52,451,058
Wellington Fund		
Wellington Capital Management	4,566,390	52,467,826
Arrowstreet International Equity ACWI EX US CIT Class A		
Arrowstreet CIT	353,797	51,375,537

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Fund's investment policy allows 18%-24% of equity securities be invested in foreign markets. The Fund's exposure to foreign currency risk at August 31, 2023 and 2022 was as follows:

	2023		
Local Currency Name	**Equity**	**Fixed Income**	**Total**
Australian Dollar	$ 3,761,082	$ -	$ 3,761,082
Bermudan Dollar	942	-	942
Brazilian Real	3,707,322	-	3,707,322
British Pound	13,615,294	-	13,615,294
Canadian Dollar	12,015,455	-	12,015,455
Cayman Islands Dollar	179,513	-	179,513
Chilean Peso	129,458	-	129,458
Chinese Renminbi	14,051,805	-	14,051,805
Columbian Peso	24,726	-	24,726
Czech Koruna	26,535	-	26,535
Danish Krone	4,554,387	-	4,554,387
Egyptian Pound	20,271	-	20,271
Euro Currency Unit	41,791,784	-	41,791,784
Hong Kong Dollar	6,250,951	-	6,250,951
Hungarian Forint	157,679	-	157,679
Indian Rupee	4,521,567	-	4,521,567
Indonesian Rupiah	1,221,145	-	1,221,145
Israeli Shekel	1,363,537	-	1,363,537
Japanese Yen	31,340,173	-	31,340,173
Kuwaiti Dinar	164,918	-	164,918
Luxembourg Franc	249,543	-	249,543
Malaysian Ringgit	314,112	-	314,112
Mexican Peso	2,385,794	-	2,385,794
New Zealand Dollar	131,277	-	131,277
Norwegian Krone	627,852	-	627,852
Pakistani Rupee	22	-	22
Peru Sol	3	-	3
Philippine Peso	123,274	-	123,274
Polish Zloty	281,821	-	281,821
Qatari Riyal	175,515	-	175,515
Russian Ruble	88,646	-	88,646
Saudi Arabia Riyal	915,181	-	915,181
Singapore Dollar	1,657,927	-	1,657,927
South African Rand	2,515,834	-	2,515,834
South Korean Won	9,175,850	-	9,175,850
Swedish Krona	2,832,292	-	2,832,292
Swiss Franc	8,138,261	-	8,138,261
Taiwanese Dollar	9,019,296	-	9,019,296
Thai Baht	566,964	-	566,964
Turkish Lira	2,395,005	-	2,395,005
United Arab Emirates Dirham	252,795	-	252,795
Total	$ 180,745,808	$ -	$ 180,745,808

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

	2022		
Local Currency Name	**Equity**	**Fixed Income**	**Total**
Australian Dollar	$ 4,298,165	$ -	$ 4,298,165
Brazilian Real	2,170,576	-	2,170,576
British Pound	12,543,008	-	12,543,008
Canadian Dollar	9,537,484	-	9,537,484
Chilean Peso	116,465	-	116,465
Chinese Renminbi	6,388,621	-	6,388,621
Columbian Peso	29,011	-	29,011
Czech Koruna	25,764	-	25,764
Danish Krone	3,058,855	-	3,058,855
Egyptian Pound	17,849	-	17,849
Euro Currency Unit	31,149,165	-	31,149,165
Hong Kong Dollar	6,059,607	-	6,059,607
Hungarian Forint	30,901	-	30,901
Indian Rupee	3,703,012	-	3,703,012
Indonesian Rupiah	950,601	-	950,601
Israeli Shekel	1,279,557	-	1,279,557
Japanese Yen	21,205,714	-	21,205,714
Jordan Dinar	6,175	-	6,175
Kuwaiti Dinar	171,286	-	171,286
Malaysian Ringgit	327,642	-	327,642
Mexican Peso	375,230	-	375,230
New Zealand Dollar	136,220	-	136,220
Norwegian Krone	917,729	-	917,729
Pakistani Rupee	128	-	128
Peru Sol	3	-	3
Philippine Peso	150,109	-	150,109
Polish Zloty	120,056	-	120,056
Qatari Riyal	219,678	-	219,678
Russian Ruble	447,352	-	447,352
Saudi Arabia Riyal	843,277	-	843,277
Singapore Dollar	583,333	-	583,333
South African Rand	1,642,963	-	1,642,963
South Korean Won	5,882,149	-	5,882,149
Swedish Krona	2,961,929	-	2,961,929
Swiss Franc	5,879,165	-	5,879,165
Taiwanese Dollar	7,342,576	-	7,342,576
Thai Baht	438,464	-	438,464
Turkish Lira	90,300	-	90,300
United Arab Emirates Dirham	235,197	-	235,197
Total	$ 131,335,316	$ -	$ 131,335,316

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party. Of the Fund’s $180,745,808, in foreign equity, none is in the name of the Fund. Fund’s investment policy does not specifically address custodial credit risk for deposits.

Note 3: DEPOSITS, CASH EQUIVALENTS, INVESTMENTS AND SECURITY LENDING (Continued)

Rate of Return

For the years ended August 31, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.34% and (9.37)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS

Fair Value Measurements

GASB 72, Fair Value Measurements and Application, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under GASB 72 are described as follows:

> **Level 1** inputs to the valuation methodology is unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
>
> **Level 2** inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
>
> **Level 3** inputs to the valuation methodology are inputs that are unobservable and significant to the fair value measurement.

Note 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2023 and 2022:

		2023 Fair Value Measurements Using		
	August 31, 2023	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments Measured at Fair Market Value				
Bank collective investment funds				
Large cap index	$ 153,059,367	$ -	$ 153,059,367	$ -
Large cap dynamic	157,403,350	-	157,403,350	-
Small/Mid cap equity	104,627,446	-	104,627,446	-
International equity developed	60,569,932	-	60,569,932	-
Total bank collective investment funds	475,660,095	-	475,660,095	-
Commingled funds - fixed income				
Fixed income core index	111,874,084	-	111,874,084	-
Total commingled funds - fixed income	111,874,084	-	111,874,084	-
Commingled funds - corporate stocks				
Fixed income core index	52,355,203	-	52,355,203	-
Total commingled funds - corporate stocks	52,355,203	-	52,355,203	-
US Governments - fixed income				
Fixed income securities	30,463,493	30,463,493	-	-
Total US Governments - fixed income	30,463,493	30,463,493	-	-
Real Estate				
Private real estate	92,504,202	-	92,504,202	-
Total real estate	92,504,202	-	92,504,202	-
Private equity investments	139,705,018	-	-	139,705,018
Total investments measured at fair value	$ 902,562,095	$ 30,463,493	$ 732,393,584	$ 139,705,018

Note 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)

Recurring Measurements (Continued)

		2022 Fair Value Measurements Using		
	August 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Market Value				
Bank collective investment funds				
Large cap index	$ 144,263,146	$ -	$ 144,263,146	$ -
Large cap dynamic	79,404,909	-	79,404,909	-
Small/Mid cap equity	95,605,994	-	95,605,994	-
International equity developed	116,661,382	-	116,661,382	-
Total bank collective investment funds	435,935,431	-	435,935,431	-
Commingled funds - fixed income				
Fixed income core index	151,225,313	-	151,225,313	-
Total commingled funds - fixed income	151,225,313	-	151,225,313	-
Commingled funds - corporate stocks				
Fixed income core index	52,467,826	-	52,467,826	-
Total commingled funds - corporate stocks	52,467,826	-	52,467,826	-
Real Estate				
Private real estate	108,186,000	-	108,186,000	-
Total real estate	108,186,000	-	108,186,000	-
Private equity investments	141,925,312	-	-	141,925,312
Total investments measured at fair value	$ 889,739,882	$ -	$ 747,814,570	$ 141,925,312

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of fiduciary net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended August 31, 2023.

Note 4: DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Note 5: NET PENSION LIABILITY

The components of the net pension liability of the City at August 31, 2023 were as follows:

	2023	2022
Total pension liability	$ 1,195,447,246	$ 1,118,495,801
Plan's fiduciary net position	914,311,891	908,273,911
City's net pension liability	$ 281,135,355	$ 210,221,890
Plan's fiduciary net position as a percentage of the total pension liability	76.48%	81.20%

Actuarial Assumptions

The total pension liability as of August 31, 2023 and 2022, was determined based on July 1, 2020 and July 1, 2018 data, respectively using the following actuarial assumptions:

Cost of living benefits increases	None
Inflation	3.0%
Salary increases	3.0%, average, including inflation
Investment rate of return	7.25%, compounded annually, net of expenses
Actuarial cost method	Entry-age-normal-level percentage of pay
Asset valuation method	Plan invested assets are reported at fair value

Note 5: NET PENSION LIABILITY (Continued)

Actuarial Assumptions (Continued)

Mortality rates for active and deferred participants are based on the RP-2014 employee tables with Blue Collar adjustment projected with Scale MP-2019 on a fully generational basis. Mortality rates for healthy retirees and survivors are based on the RP-2014 healthy annuitant tables with Blue Collar adjustment (92% of male rates and 100% of female rates) projected with Scale MP-2019 on a fully generational basis. Mortality rates for disabled participants are based on the RP-2014 disabled annuitant table projected with Scale MP-2019 on a fully generational basis.

The actuarial assumptions used in the July 1, 2023 and July 1, 2022 valuation were based on the results of an actuarial experience study performed on 2022.

The long-term expected rate of return on pension fund investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension fund's target asset allocation as of August 31, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	6.34%
International equity	6.77%
Fixed income	1.74%
Real estate	5.11%
Private equity	11.86%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions will be based on the rates established by Ordinance. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability in accordance with the method prescribed by GASB 67. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.45% as of August 31, 2023. The corresponding rate was 4.29% as of August 31, 2022.

Note 5: NET PENSION LIABILITY (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability as of August 31, 2023, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's net pension liability (Asset)	$ 412,626,316	$ 281,135,355	$ 179,120,279

Note 6: CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2023 was as follows:

	Balance August 31, 2022	Additions	Deletions	Balance August 31, 2023
Capital assets not being depreciated				
Land	$ 521,174	$ -	$ -	$ 521,174
Construction in progress	50,500	-	(50,500)	-
Total capital assets not being depreciated	571,674	-	(50,500)	521,174
Capital assets being depreciated				
Buildings and improvements	1,468,790	-	-	1,468,790
Furniture and equipment	301,716	-	-	301,716
Software	853,000	-	50,500	903,500
Total capital assets being depreciated	2,623,506	-	50,500	2,674,006
Less accumulated depreciation				
Buildings and improvements	(138,459)	(36,720)	-	(175,179)
Furniture and equipment	(121,029)	(34,802)	-	(155,831)
Software	(661,283)	(170,600)	-	(831,883)
Total accumulated depreciation	(920,771)	(242,122)	-	(1,162,893)
Total capital assets, net of depreciation	$ 2,274,409	$ (242,122)	$ -	$ 2,032,287

Note 6: CAPITAL ASSETS

Depreciation expense of $242,122 for the year ended August 31, 2023 was charged to administrative expenses.

Capital asset activity for the year ended August 31, 2022 was as follows:

	Balance August 31, 2021	Additions	Deletions	Balance August 31, 2022
Capital assets not being depreciated				
Land	$ 521,174	$ -	$ -	$ 521,174
Construction in progress	50,500	-	-	50,500
Total capital assets not being depreciated	571,674	-	-	571,674
Capital assets being depreciated				
Buildings and improvements	1,468,790	-	-	1,468,790
Furniture and equipment	301,716	-	-	301,716
Software	853,000	-	-	853,000
Total capital assets being depreciated	2,623,506	-	-	2,623,506
Less accumulated depreciation				
Buildings and improvements	(101,739)	(36,720)	-	(138,459)
Furniture and equipment	(86,227)	(34,802)	-	(121,029)
Software	(490,683)	(170,600)	-	(661,283)
Total accumulated depreciation	(678,649)	(242,122)	-	(920,771)
Total capital assets, net of depreciation	$ 2,516,531	$ (242,122)	$ -	$ 2,274,409

Depreciation expense of $242,122 for the year ended August 31, 2022 was charged to administrative expenses.

Note 7: FUND TERMINATION

Although not anticipated, should the Fund terminate at some future time, its net position generally will not be available on a pro rata basis to provide participants’ benefits. Whether a particular participant’s accumulated benefits will be paid depends on the priority of those benefits. Benefits under the Fund are not guaranteed by the Pension Benefit Guaranty Corporation.

Note 8: PLAN TAX STATUS AND ERISA

The Fund is a Public Employees' Retirement System ("PERS") and is exempt from federal income taxes and the provisions of the *Employee Retirement Income Security Act of 1974* ("ERISA"). Additionally, the Plan obtained its latest determination letter on May 29, 2013, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the *Internal Revenue Code* ("IRC") and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

Note 9: RELATED PARTY TRANSACTIONS

An affiliate of the Fund's custodian is an investment manager for the Fund, which managed $227,306,850 and $338,469,014 of the Fund's investments at August 31, 2023 and 2022, respectively. As of August 31, 2023 and 2022, the Fund accrued investment management fees of $81,733 and $28,847, respectively, for the services of that investment manager. For the years ended August 31, 2023 and 2022, the Fund incurred $342,762 and $337,332, respectively, in management fees with this investment manager.

REQUIRED SUPPLEMENTARY INFORMATION

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Schedule of Changes in Net Pension Liability and Related Ratios

For the year ended August 31,	**2023**	2022	2021
Total Pension Liability			
Service cost	**$ 21,447,197**	$ 21,360,553	$ 20,839,564
Interest	**79,709,296**	73,932,733	77,447,854
Difference between expected and actual experience	**56,803,821**	-	1,526,057
Changes of assumptions	**-**	-	20,343
Benefit payments, including refunds of employee contributions	**(81,008,869)**	(84,876,133)	(75,230,941)
Net change in total pension liability	**76,951,445**	10,417,153	24,602,877
Total pension liability, beginning of year	**1,118,495,801**	1,108,078,648	1,083,475,771
Total pension liability, end of year (a)	**$1,195,447,246**	$ 1,118,495,801	$ 1,108,078,648
Plan Fiduciary Net Position			
Contributions - employer	**$ 33,055,632**	$ 26,096,411	$ 25,603,188
Contributions - plan member	**18,582,860**	16,665,780	15,099,360
Net investment income	**37,732,148**	(87,579,875)	202,050,667
Benefit payments, including refunds of employee contributions	**(81,066,555)**	(83,659,658)	(79,617,251)
Administrative expenses	**(2,266,105)**	(1,932,893)	(2,441,214)
Net change in plan fiduciary net position	**6,037,980**	(130,410,235)	160,694,750
Plan fiduciary net position, beginning of year	**908,273,911**	1,038,684,146	877,989,396
Plan fiduciary net position, end of year (b)	**$ 914,311,891**	$ 908,273,911	$ 1,038,684,146
City's net pension liability, end of year = (a) - (b)	**$ 281,135,355**	$ 210,221,890	$ 69,394,502
Plan's fiduciary net position as a % of total pension liability	**76.48%**	81.20%	93.74%
Covered payroll	**$ 187,753,242**	$ 176,284,754	$ 171,985,126
Plan's net pension liability as a % of covered payroll	**149.74%**	119.25%	40.35%

Notes to Schedule:

Changes of assumptions: There were no assumption changes since the last actuarial valuation.

2020	2019	2018	2017	2016	2015	2014
$ 21,392,493	$ 20,769,411	$ 20,418,111	$ 20,418,111	$ 23,021,764	$ 22,243,250	$ 20,691,396
78,045,365	75,886,822	72,439,238	70,199,486	66,845,529	64,244,529	61,812,817
-	-	16,640,620	-	(22,728,241)	115,295	4,691,256
-	-	-	-	37,572,898	-	-
(70,348,910)	(66,648,577)	(61,114,382)	(60,394,115)	(54,383,629)	(50,788,937)	(52,592,834)
29,088,948	30,007,656	48,383,587	30,223,482	50,328,321	35,814,137	34,602,635
1,054,386,823	1,024,379,167	975,995,580	945,772,098	895,443,777	859,629,640	825,027,005
$ 1,083,475,771	$ 1,054,386,823	$ 1,024,379,167	$ 975,995,580	$ 945,772,098	$ 895,443,777	$ 859,629,640
$ 25,296,642	$ 26,424,696	$ 25,651,488	$ 25,327,071	$ 23,370,111	$ 22,916,913	$ 21,830,044
16,114,139	15,746,549	15,540,713	15,154,341	14,886,249	14,595,935	14,039,600
102,470,526	12,819,847	65,372,489	75,370,973	40,260,073	(17,872,916)	107,723,189
(70,376,992)	(66,571,770)	(61,114,382)	(61,077,565)	(54,383,629)	(50,788,937)	(52,592,834)
(2,138,910)	(1,761,619)	(2,036,643)	(1,325,640)	(1,417,530)	(1,355,351)	(1,143,272)
71,365,405	(13,342,297)	43,413,665	53,449,180	22,715,274	(32,504,356)	89,856,727
806,623,991	819,966,288	776,552,623	723,103,443	700,388,169	732,892,525	643,035,798
$ 877,989,396	$ 806,623,991	$ 819,966,288	$ 776,552,623	$ 723,103,443	$ 700,388,169	$ 732,892,525
$ 205,486,375	$ 247,762,832	$ 204,412,879	$ 199,442,957	$ 222,668,655	$ 195,055,608	$ 126,737,115
81.03%	76.50%	80.05%	79.57%	76.46%	78.22%	85.26%
$ 177,409,564	$ 172,242,295	$ 167,255,529	$ 161,026,109	$ 156,336,028	$ 158,990,084	$ 153,613,308
115.83%	143.85%	122.22%	123.86%	142.43%	122.68%	82.50%

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Schedule of Employer Contributions

For the year ended August 31,	**2023**	2022	2021
Actuarially determined contributions (ADC)*	**$ 20,690,409**	$ 18,423,047	$ 19,812,687
Contributions related to the ADC	**33,055,632**	26,096,411	25,603,188
Contributions deficiency (excess)	**(12,365,223)**	(7,673,364)	(5,790,501)
Covered payroll (payroll)	**$ 187,753,242**	$ 176,284,754	$ 171,985,126
Contributions as a percentage of payroll	**17.61%**	14.80%	14.89%

* Based on estimated payroll

2020	2019	2018	2017	2016	2015	2014
$ 17,568,714	$ 16,488,437	$ 16,086,508	$ 16,274,581	$ 18,306,287	$ 18,848,390	$ 21,501,985
25,296,642	25,761,130	25,651,488	25,327,071	23,370,111	22,916,913	21,739,159
(7,727,928)	(9,272,693)	(9,564,980)	(9,052,490)	(5,063,824)	(4,068,523)	(237,174)
$ 172,242,295	$ 167,225,529	$ 161,026,108	$ 156,336,028	$ 158,990,084	$ 153,613,608	$ 152,911,275
14.69%	15.41%	15.93%	16.20%	14.70%	14.92%	14.22%

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Schedule of Investment Returns

	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	**4.34%**	-9.37%	19.72%

2020	2019	2018	2017	2016	2015	2014
12.08%	1.95%	8.74%	10.29%	6.36%	-2.86%	17.22%

SUPPLEMENTARY INFORMATION

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Comparative Summary of Revenue by Source and Expense by Type

Revenue by Source*

Years Ended August 31,	Interest, Dividends and Net Securities Lending Income	Employer Contributions (a)	Plan Member Contributions (a)	Net Appreciation (Depreciation) in Fair Value of Investments	Total	Employer Contributions as a Percentage of Covered Payroll
2023	$ 7,136,089	$ 33,055,632	$ 18,582,860	$ 32,555,483	$ 91,330,064	14.05%
2022	4,390,647	26,096,411	16,665,780	(89,489,954)	(42,337,116)	14.05%
2021	3,622,157	25,603,188	15,099,360	201,182,318	245,507,023	14.05%
2020	6,477,162	25,296,642	16,114,139	99,563,115	147,451,058	14.05%
2019	7,759,257	26,424,696	15,746,549	7,981,580	57,912,082	14.05%
2018	6,459,227	25,327,071	15,154,341	74,716,005	121,656,644	14.05%
2017	7,563,107	23,370,111	14,886,249	37,856,062	83,675,529	14.05%
2016	7,433,579	22,916,913	14,595,935	(21,734,515)	23,211,912	13.45%
2015	8,039,815	21,830,044	14,039,600	103,082,579	146,992,038	12.85%
2014	9,096,062	20,499,707	13,328,629	63,890,162	106,814,560	12.25%

* Excludes increase (decrease) in commission credits receivable

Expenses by Type

Years Ended August 31,	Benefits	Refunds	Investment Fees (b)	Administrative Expenses	Total
2023	$ 77,170,433	$ 3,848,122	$ 1,959,424	$ 2,266,105 (c)	$ 85,244,084
2022	78,002,080	5,441,578	2,480,568	1,932,893 (c)	87,857,119
2021	75,728,963	3,804,288	2,753,808	2,441,214	84,728,273
2020	66,555,726	3,737,266	3,589,807	2,138,910	76,021,709
2019	62,251,632	4,215,138	2,987,728	1,761,619	71,216,117
2018	57,972,792	3,104,773	5,783,774	1,325,640	68,186,979
2017	51,554,209	2,829,420	5,104,720	1,417,530	60,905,879
2016	48,419,841	2,369,096	3,510,570	1,355,351	55,654,858
2015	49,375,280	3,217,554	3,336,994	1,143,272	57,073,100
2014	43,021,060	2,159,129	2,932,444	1,176,347	49,288,980

(a) Employee and employer contribution rates are based upon local statutes; contribution rates are note actuarially determined

(b) Investment fees are made up entirely of investment manager fees

(c) Detail listed on Comparative Summary of Administrative Expenses

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Comparative Summary of Administrative Expenses
For the Years Ended August 31, 2023 and 2022

	2023	2022
Custodian/custodial fees	$ 151,236	$ 196,471
Consulting fees	355,000	314,143
Legal	154,529	23,581
Travel/education-employee	7,210	3,338
Audit/accounting	38,253	28,750
Actuary	102,632	35,711
Wages and benefits	906,163	856,594
Other operating expenses	285,227	210,131
Miscellaneous	23,733	22,052
Depreciation	242,122	242,122
Total administrative expenses	$ 2,266,105	$ 1,932,893

City of El Paso Employees Retirement Trust
(A Component of the City of El Paso, Texas)
Schedule of Investment Manager Expenses
For the Years Ended August 31, 2023 and 2022

	2023	
	Fair Value of Assets Under Management	**Total Fees**
U.S. government securities	$ 30,463,493	$ -
Bank collective investments funds managers	475,660,095	135,143
Commingled funds: fixed income funds managers	111,874,084	233,291
Commingled funds: corporate stocks managers	52,355,203	368,385
Private real estate Managers	92,504,202	240,000
Private equity investment managers	139,705,018	982,605
Total	$ 902,562,095	$ 1,959,424

2022			
Fair Value of Assets Under Management		Total Fees	
$	-	$	-
	435,935,431		516,608
	151,225,313		291,360
	52,467,826		592,990
	108,186,000		246,574
	141,925,312		833,036
$	889,739,882	$	2,480,568

INVESTMENT SECTION

Callan

Callan LLC
1900 16th Street
Suite 1175
Denver, CO 80202

Main 303.861.1900
Fax 303.832.8230

www.callan.com

February 2024

Board of Trustees
City of El Paso Employees Retirement Trust
1039 Chelsea
El Paso, TX 79903

RE: Report on Fiscal Year 2023's Investment Activities

Dear Board Members:

The El Paso City Council created a City Employees' Pension Board of Trustees that makes investments for the sole interest of the participants and beneficiaries of the City of El Paso Employees Retirement Trust (the Fund). The primary purpose of the investments is to generate appropriate risk-adjusted rates of return that, in combination with a sound actuarial funding policy, will enable the Fund to pay all pension benefit obligations when due. The Fund's fiscal year-end is August 31st.

The Fund maintains a policy of broad diversification to help control the volatility of achieving the target rate of return over the long run. The Board understands that its target rate of return is associated with a certain degree of risk. Any risk resulting from the implementation of the Fund's investment policy must be done in a prudent, thoughtful, non-speculative manner.

Fund assets are to be invested with the care, skill, and diligence that a prudent person acting in a like capacity would undertake. The Board acknowledges that, in the process, they have the goal of controlling costs associated with the administration and management of the Fund's investments.

In establishing its risk tolerance, the Board considered its ability to withstand short- and intermediate-term volatility given the nature of contemporaneous market conditions. The Board also reviewed the long-term characteristics of various asset classes, focusing on balancing risk with expected return. As of August 31, 2023, the Fund's strategic asset allocation policy included the following six asset classes: domestic equity; international equity; fixed income; private equity; real estate; and cash.

The table on the following page shows how the Fund was invested in those six asset classes in dollars and as a percentage of the Total Fund at the end of fiscal-year 2023.

City of El Paso Employees Retirement Trust
Asset Allocation as of August 31, 2023

Asset Class	Fair Value ($000)	Allocation (%)
Domestic Equity	293,068	32.3%
International Equity	186,190	20.5%
Private Equity	133,805	14.8%
Domestic Fixed Income	191,376	21.1%
Real Estate	94,514	10.4%
Cash	8,190	0.9%
Total	**907,150**	**100.0%**

Notes: Private equity market values are based on June 30 custodian values, adjusted for cash flows.
Trust total market value may include residual values from terminated allocations.

The Board, with information and advice provided by their investment consultant, closely monitors the Fund's asset mix to assure compliance with the adopted Investment Policy Statement and appropriate city ordinances that regulate the investment process.

On an ongoing basis, the Board implements a performance measurement and evaluation process that examines rates of return for the Total Fund, the six major asset classes currently utilized, and the fund's individual managers. The Board compares returns to broad market indices and relevant "peer groups" of investment managers with similar investment styles. Investment measurements and comparisons have been made using standard performance evaluation methods and results are presented in a manner consistent with investment industry best practices. All returns are time-weighted rates of return calculated by the Fund's investment consultant on the basis of fair value and cash flow data provided by the Fund's bank custodian.

The Fund's net of fees total return and target benchmark return for the fiscal year, the last three, five, seven, and ten years ended August 31, 2023 are provided in the table below.

	Annualized Return				
	1 Year	3 Year	5 Year	7 Year	10 Year
Total Fund (Net)	3.2%	6.3%	6.5%	7.3%	7.0%
Strategic Blended Index	7.5%	5.0%	6.1%	7.1%	7.1%

Yours truly,

Alex Browning

Alex Browning
Callan, LLC
Senior Vice President

INVESTMENT MANAGERS

Domestic Equity

Alliance Bernstein
Mellon Capital
Newton
Wellington

International Equity

Arrowstreet
Lazard
Mellon Capital

Private Equity

Adams Street
Portfolio Advisors

Domestic Fixed Income

BlackRock
Mellon Capital
Wellington

Real Estate

Heitman
UBS

Investment Guidelines

<u>General</u>

The Board is responsible for the investment of all assets and for establishing policies and practices. All investments shall be made for the purposes of providing benefits to participants and their beneficiaries and defraying the expenses related to administering the Fund as determined by the Board.

The Board may, at its discretion, retain investment advisors to manage all or a portion of the Fund assets. These advisors shall be selected from established and financially sound organizations which have a proven and demonstrable record in managing funds with characteristics appropriate for the risk/return profile of the Fund assets. The selection process will involve a disciplined approach that will be fully documented for the Board's records.

All assets should be properly diversified to reduce the potential of a single security or single sector of securities having a disproportionate impact on the portfolio.

Given the expense, difficulty of obtaining adequate diversification, related custody costs and ultimate size of the Fund's commitments to various asset classes, commingled funds may be used as the vehicle for the investment in such asset classes. In such cases, the investment guidelines will be governed by the fund's governing documents.

The following guidelines would apply to investment mandates utilized by the Fund:

Large Cap Index Equity

Investment Guidelines

This investment will be passively managed. Permissible investments are S&P 500 Index or Russell 1000 commingled funds or Exchange Traded Funds (ETFs).

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve a return approximating the total return of the S&P 500 or Russell 1000 Indexes before fees.

Large Cap Dynamic

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the S&P 500 Index.

Investment Strategy

The Portfolio will actively allocate assets across the equity, fixed income, and cash markets of the United States. The volatility of the portfolio should be similar or less than the S&P 500 Index. The assets of the Portfolio may be invested in securities, derivatives, and a combination of other collective funds.

Portfolio Restrictions

Long and short positions in financial futures, options on financial futures, index options, exchange-traded options, and over-the-counter options, may be used.

Cash investments or assets used as collateral underlying the derivatives positions may be comprised of other collective funds and short to medium-term debt of investment grade that may include, without limitation, Treasury bills and notes, corporate obligations, commercial paper, repurchase agreements, and obligations of government sponsored enterprises.

Small/Mid Cap Equity

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs, this investment will be made using one or more commingled funds(s).

As such, the investment guidelines will be governed by the fund’s governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the Russell 2500 Index.

Investment Strategy

The Fund(s) will invest primarily in a diversified portfolio of equity and equity-related securities of issuers that are located in the United States with market capitalizations greater than $100 million and the greater of $5 billion of the top end of the Russell 2500 Index (the “Market Capitalization Range”) at the time of initial purchase; the market capitalization of certain securities may be less than or greater than this range at times. The portfolio may invest in publicly traded stocks of U.S. corporations, as well as real estate investment trusts (“REITs”), preferred stocks, convertible securities, American Depository Receipts (ADRs) of non-U.S. issuers, publicly traded stocks of foreign corporations listed on U.S. stock exchanges, Exchange Traded Funds (ETFs), futures, and short-term investments, money market instruments or equivalent.

Portfolio Restrictions

Leverage, short sales, and buying and selling on margin are not permitted.

Cash – Generally, Funds may invest up to 5% of assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions), subject to a maximum of 10% of assets

International Equity-Developed Index

Investment Guidelines

This investment will be passively managed. Permissible investments are MSCI EAFE Index commingled funds or Exchange Traded Funds (ETFs).

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund’s governing documents.

International Equity-All Country

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI ACWI ex-US IMI Index.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries. The Portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 35% in any one country. The maximum emerging markets weight is the Index weight plus 15%.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

International Equity-Emerging Markets

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI Emerging Markets Index.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of at least 80% of its assets in issuers that are located in, or that do significant business in emerging market countries. The Portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 20% in any one country.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

International Equity-All Country Small Cap

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI ACWI ex-US Small Cap Index.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries. The Portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 35% in any one country. The maximum emerging markets weight is the Index weight plus 15%.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

Fixed Income Core Index

Investment Guidelines

This investment will be passively managed. Permissible investments are Barclays Capital Aggregate Index commingled funds or Exchange Traded Funds (ETFs).

In order to ensure adequate diversification and prudently manage the costs associated with the custody fixed income investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's governing documents.

Fixed Income Core Plus

Investment Guidelines

Investment Objective:

- Provide a total return that exceeds that of the Benchmark Portfolio with a commensurate amount of risk (risk as defined by standard deviation).

A. Main Objective

The main objective for the management of the account(s) is to outperform the U.S. bond market, as represented by the Bloomberg Barclays U.S. Aggregate Bond Index, in a risk adjusted manner. The strategy is designed for long-term investors who primarily seek total return.

In order to ensure adequate diversification and prudently manage costs, this investment will be made using a commingled fund(s).

As such, the investment guidelines will be governed by the fund's governing documents.

B. Investment Universe and Limitations

1. Allowable Investments

a. U.S. Government and Agency securities
b. Sovereign and supranational securities
c. Corporate securities and bank loans
d. Non-U.S. issuer securities (including Yankee bonds, Eurobonds, and Global bonds)
e. Mortgage securities (including CMOs, whole loans, and CMBS)
f. Asset-backed securities
g. Inflation-linked bonds
h. Medium-term notes
i. Municipal securities
j. Insurance surplus notes and capital securities
k. Credit-linked notes and structured notes
l. Repurchase and reverse purchase agreements
m. Private placement (Rule 144A), bank loans, and other restricted securities

2. General Restrictions

a. The average duration of the Fund(s) generally ranges between +/- 1.5 years of the average duration of the benchmark index, under normal circumstances.

b. The average credit quality of the Fund(s) is investment-grade. Exposure to debt obligations rated below investment grade will generally be limited to 20% of Fund assets.

Credit ratings for issues will be the highest of Moody's, S&P's, or Fitch's long-term ratings. If an issue is unrated, then an equivalent credit rating as deemed appropriate by the manager(s) may be used.

c. The Fund(s) seeks broad diversification by market sector, industry, and issuer. Net credit exposure to any single issuer will generally not represent more than 5% of the Fund at time of purchase (this restriction may not apply to issues of the U.S. Treasury, issue of U.S. government agencies, or the investment-grade debt obligations of OECD member countries and their instrumentalities).

d. STIF funds may be used as a cash "sweep" vehicle to manage uninvested cash, or to manage reinvested cash collateral, that engage in securities lending transactions. Such cash or cash collateral may be invested in STIF funds in a manner that generally seeks as a high a level of current income as is consistent with liquidity and stability of principal.

3. Foreign Securities

a. Non-U.S. dollar exposure may be entirely hedged, partially hedged, or fully unhedged depending on the investment outlook. Currency forwards, options, and futures are employed to adjust and hedge the Portfolio's currency exposure. Exposure to non-U.S. dollar denominated issues and currencies will generally be limited to 20% of Fund assets.

4. Derivatives

a. The Fund(s) may buy and sell exchange-traded and over-the-counter derivative instruments, including interest rate, credit, index, and currency futures; currency, interest rate, total rate of return, and credit default swaps; currency, bond, and swap options; deliverable and non-deliverable currency forward contracts; bonds for settlement; "to-be-announced" (TBA) securities; and other derivative instruments for risk management purposes and otherwise in pursuit of the Fund's objective.

5. Short Selling

a. The Fund(s) may sell securities short, including futures, swaps, structured products and call options for duration management or other purposes.

6. Miscellaneous

a. The Fund(s) is to be managed in USD.

b. The Fund(s) will not employ leverage.

c. Investment types not explicitly allowed in these guidelines may still be used by the manager(s) if deemed to be appropriate.

Real Estate

Investment Guidelines

The Board reserves the right to consider investment of the Fund's assets in real property, either on a direct basis or as a participant in a commingled real estate fund managed by a bank, insurance company, or other professional real estate investment manager. Real estate investments will be diversified to the extent possible both by geographic location and property type.

Private real estate managers are expected to invest in private real estate equity located within the United States or the District of Columbia. The following types of investments may be purchased by the manager: private real estate equity, equity-orientated debt, mortgages, construction loans, mezzanine debt on real estate, and private investment vehicles in such instruments designed for tax-exempt investors. The emphasis in the portfolio will be on investments in the stabilized operating stages of their life cycle; however, riskier equity investments in the development, leasing, and redevelopment stages will also be considered in minority positions in the portfolios. The manager should manage risk by using investment quality assets for their type and location. The portfolio should be diversified by property type (office, retail, industrial, or residential) and by the various geographic regions of the country. Leverage is to be limited to no more than 30% of the fund.

Private Equity

Investment Guidelines

Introduction

The private equity investments made on behalf of City of El Paso Employees Retirement Trust (“CEPERT”) will consist primarily of limited partnership investments in diversified private equity portfolios (e.g., venture capital, acquisition, special situation, subordinated debt, and restructuring funds, etc.). CEPERT will invest in private equity through institutional closed-end, finite-life commingled private equity fund-of-funds vehicles. Eligible fund-of-funds may employ either a primary partnership or secondary partnership strategy. The fund-of-funds vehicles will be limited liability partnerships, limited liability corporations, or group trusts. Investments directly in stand-alone corporate finance limited partnerships and direct investments in companies are not currently considered appropriate. The vehicle’s manager(s) will have discretion with respect to the management of the fund-of-funds investment program, operating within the parameters delineated in the commingled fund’s legal documentation.

To maintain an appropriate funded status on a net asset value basis, CEPERT will be required to make periodic commitments to additional fund-of-funds vehicles managed by either the same or different fund-of-funds managers. CEPERT’s staff will work with the consultant and the managers to determine appropriate commitment timing and amounts and periodically present a recommended plan to the Investment Committee.

To ensure adequate access and diversification, CEPERT may utilize multiple fund-of-funds providers. There is no specific limit to the number of vendors to be utilized. However, CEPERT will limit the number of vendors employed to the extent practical. Only those firms committed to providing ongoing access to the private equity arena through fund-of-funds offerings, that have a demonstrated record of investing client funds in top tier private equity partnerships and that limit assets accepted for management to sums that can in fact be committed in top tier funds will be considered.

CEPERT recognizes that many well-qualified fund-of-funds providers make direct private equity investments within the fund-of-funds vehicles. Such investments are permissible provided that they constitute a comparatively small portion of the total fund of funds asset base (typically less than 20%). These direct investments are not required and CEPERT’s staff, when provided a choice, may elect to exclude such investments.

Investment Objective

The investment objective of the private equity allocation is to achieve consistent positive real returns and to maximize long-term total return within prudent levels of risk through capital appreciation and diversification. CEPERT's holdings will be professionally managed on a cash-to-cash basis and will have broad exposure to all key private corporate finance strategies (e.g., venture capital, acquisition, special situation, etc.), with allocations to the various strategies diversified in a manner consist with institutional private equity programs generally.

Performance Objectives

Due to the inevitability of short-term market fluctuations that may cause variations in the investments' performance and the long lead-time associated with private equity, it is intended that the performance objectives outlined below will be achieved by the fund-of-funds over the life of the vehicle(s), generally 12 years. However, the Board reserves the right to evaluate the funds' interim performance. Annual performance will be evaluated to test progress toward attainment of these longer-term goals. It is understood that there are likely to be short-term periods during which performance deviates from expectations. Minimum expectations are as follows:

1. It is expected that the private equity program will over rolling 5-year periods provide net of fee returns in excess of those available in the public markets. The return target for the private equity program is the Russell 3000 Index plus 300 basis points calculated on a time-weighted basis. The rate of return for the fund-of-funds will also be calculated on an internal rate of return basis net of all fees and expenses.

2. The fund's IRR performance will also be benchmarked on a vintage year basis against peer groups in the Thomson Reuter's Private Equity Database. These return comparisons will be net of underlying partnership fees and expenses, but gross of the fund-of-funds' fees and expenses. It is expected that the vehicles will attain performance rankings consistent with the top-quartile levels of return evidenced in the database.

Attainment of these objectives does not guarantee continued investment by the Board in a specific manager's fund-of-funds vehicles, nor does failure to achieve these guidelines ensure a lack of future investment support for follow-on vehicles. Providers are selected at the discretion of the Board.

In private equity investing there is the risk of sustaining a loss on any of the individual investments. It is CEPERT's expectation that, while specific investments may incur losses of all or part of capital invested, a diversified portfolio of holdings will produce a positive rate of return in the expected range set forth above.

Guidelines
As private equity fund-of-funds vehicles are commingled, closed-end, finite-life limited liability entities, the investment guidelines will be determined by the fund-of-funds legal documentation. But, the vehicle's manager in managing the portfolio should take prudent care. In addition, the following stipulation(s) apply:

- The CEPERT funds invested in the pooled/fund-of-funds vehicle should not represent more than 20% of the total market value of the pooled/fund-of-funds. It is also preferred that this holds true for any other investor in these pooled/fund-of-funds.

- The manager of the fund-of-funds vehicle shall be a Bank or a registered advisor under the Investment Advisors Act of 1940.

- If the fund-of-funds provides the option of receiving distributions in cash or securities, the Trust will opt to receive cash.

Reporting Requirements
Reporting requirements will be governed by the fund-of-funds legal documentation, which at a minimum will provide for quarterly unaudited financial statements and other relevant investment holdings-related exhibits, and annual audited financial statements and relevant investment holdings-related exhibits.

Cash

Investment Guidelines

The investment objective is to produce a return that equates to prevailing short-term rates applicable to the quality specified below.

All monies not deployed in other permitted investments shall be invested in short-term investment vehicles as provided below.

Money market instruments shall include:

- Direct obligations of the U.S. Treasury including bills, notes, and bonds, and repurchase agreements secured by those obligations.

- U.S. Government and U.S. Treasury money market mutual funds that are SEC registered and comply with Rule 2(a)-7 under the Investment Company Act of 1940. The investment guidelines will be governed by the fund's governing documents.

Investment Manager Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended August 31, 2023

	Last Month	Last 1 Year	Last 3 Years	Last 5 Years
Domestic Equity	**(2.16%)**	**13.09%**	**8.40%**	**8.91%**
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.23%)**	**(1.67%)**	**(1.41%)**	**(1.34%)**
Mellon Equity Index (06/94)	(1.59%)	15.90%	10.55%	11.10%
S&P 500 Index	(1.59%)	15.94%	10.52%	11.12%
Excess Return	**0.00%**	**(0.05%)**	**0.03%**	**(0.03%)**
Newton Dynamic US Equity (12/13)	(1.77%)	14.28%	8.83%	10.80%
S&P 500 Index	(1.59%)	15.94%	10.52%	11.12%
Excess Return	**(0.17%)**	**(1.66%)**	**(1.69%)**	**(0.32%)**
Wellington SMID (03/21)	(3.18%)	11.83%	-	-
Russell 2500 Index	(3.93%)	6.64%	9.52%	5.43%
Excess Return	**0.75%**	**5.19%**	**-**	**-**
AllianceBernstein (05/21)	(2.88%)	7.16%	-	-
Russell 2500 Index	(3.93%)	6.64%	9.52%	5.43%
Excess Return	**1.05%**	**0.52%**	**-**	**-**
International Equity	**(3.69%)**	**14.06%**	**4.33%**	**3.68%**
MSCI ACWI ex US IMI	(4.28%)	11.62%	4.10%	3.30%
Excess Return	**0.58%**	**2.44%**	**0.22%**	**0.39%**
Mellon ACWI ex-US IMI (11/21)	(4.35%)	11.86%	-	-
MSCI ACWI ex US IMI	(4.28%)	11.62%	4.10%	3.30%
Excess Return	**(0.07%)**	**0.24%**	**-**	**-**
Arrowstreet ACWI ex-US IMI (11/21)	(3.06%)	17.90%	-	-
MSCI ACWI ex US IMI	(4.28%)	11.62%	4.10%	3.30%
Excess Return	**1.22%**	**6.28%**	**-**	**-**
Lazard International Equity (04/13)	(3.55%)	12.89%	(0.07%)	3.04%
MSCI ACWI ex US IMI	(4.28%)	11.62%	4.10%	3.30%
Excess Return	**0.73%**	**1.26%**	**(4.17%)**	**(0.26%)**

All returns are net of fees, time-weighted rates of return based on market/appraised values and cash flows.
The Fiscal Year is September 1st - August 31st.
(3)Fund is under watch.

Investment Manager Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended August 31, 2023

	Last Month	Last 1 Year	Last 3 Years	Last 5 Years
Private Equity	**(1.93%)**	**(7.16%)**	**26.90%**	**23.24%**
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(21.91%)**	**17.10%**	**12.99%**
PAPEF VII (01/13)	(1.93%)	(19.50%)	19.75%	21.38%
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(34.25%)**	**9.94%**	**11.13%**
PASF II (01/13)	(1.93%)	(14.80%)	14.49%	11.56%
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(29.56%)**	**4.68%**	**1.31%**
PAPEF VIII (04/16)	(1.93%)	(11.14%)	23.87%	21.03%
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(25.89%)**	**14.06%**	**10.78%**
PASF III (01/17)	(1.93%)	(10.62%)	21.57%	20.97%
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(25.38%)**	**11.76%**	**10.72%**
PAPEF IX (06/18)	(1.93%)	(6.07%)	29.63%	21.47%
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(20.83%)**	**19.83%**	**11.22%**
PASF IV (01/22)	(1.93%)	8.14%	-	-
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(6.61%)**	**-**	**-**
PAPEF XI (06/22)	(1.93%)	(3.99%)	-	-
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**(18.75%)**	**-**	**-**
Adams Street (12/22)	(1.93%)	-	-	-
Russell 3000 Index	(1.93%)	14.76%	9.81%	10.25%
Excess Return	**(0.00%)**	**-**	**-**	**-**

Private Equity is lagged 1 quarter, and proxied to the benchmark until quarter end data is received.
The Fiscal Year is September 1st - August 31st.
(3)Fund is under watch.

Investment Manager Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2023. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended August 31, 2023

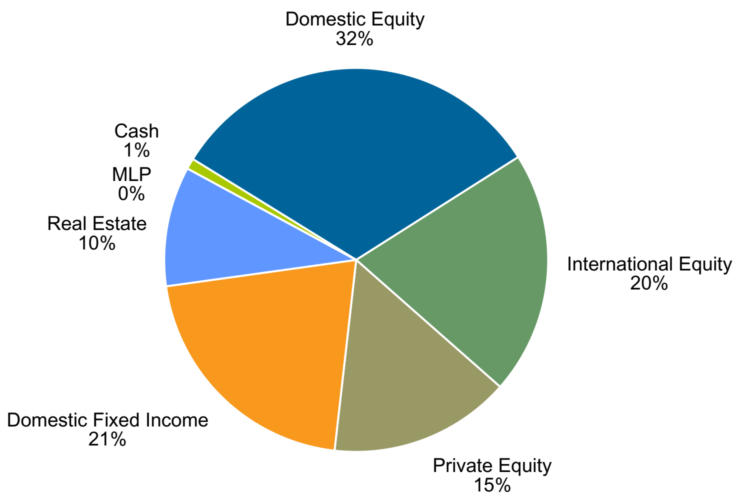
	Last Month	Last 1 Year	Last 3 Years	Last 5 Years
Fixed Income	**(0.51%)**	**(0.37%)**	**(4.08%)**	**0.87%**
Blmbg Aggregate Index	(0.64%)	(1.19%)	(4.41%)	0.49%
Excess Return	**0.13%**	**0.82%**	**0.33%**	**0.38%**
Mellon Agg Index (01/06)	(0.65%)	(1.17%)	(4.44%)	0.47%
Blmbg Aggregate Index	(0.64%)	(1.19%)	(4.41%)	0.49%
Excess Return	**(0.01%)**	**0.02%**	**(0.04%)**	**(0.02%)**
BlackRock(08/20)	(0.81%)	(0.84%)	(4.00%)	-
Blmbg Aggregate Index	(0.64%)	(1.19%)	(4.41%)	0.49%
Excess Return	**(0.17%)**	**0.35%**	**0.40%**	**-**
Wellington(08/20)	(0.60%)	(0.21%)	(4.06%)	-
Blmbg Aggregate Index	(0.64%)	(1.19%)	(4.41%)	0.49%
Excess Return	**0.04%**	**0.98%**	**0.34%**	**-**
Laddered Bonds(12/22)	0.43%	-	-	-
Blmbg Aggregate	(0.64%)	(1.19%)	(4.41%)	0.49%
Excess Return	**1.07%**	**-**	**-**	**-**
Real Estate	**(1.03%)**	**(13.61%)**	**5.49%**	**2.96%**
Real Estate Benchmark(6)	(1.03%)	(12.79%)	6.76%	5.37%
Excess Return	**0.00%**	**(0.82%)**	**(1.27%)**	**(2.41%)**
UBS Trumbull Fund (01/12)(3)(5)	(1.03%)	(17.08%)	1.36%	0.27%
NFI-ODCE Equal Weight Net	(1.03%)	(12.79%)	6.76%	5.37%
Excess Return	**0.00%**	**(4.29%)**	**(5.41%)**	**(5.10%)**
Heitman (10/15)(5)	(1.03%)	(11.13%)	8.93%	5.22%
NFI-ODCE Equal Weight Net	(1.03%)	(12.79%)	6.76%	5.37%
Excess Return	**0.00%**	**1.66%**	**2.16%**	**(0.15%)**
Cash	**0.58%**	**6.16%**	**2.42%**	**2.41%**
3-month Treasury Bill	0.45%	4.25%	1.55%	1.65%
Excess Return	**0.13%**	**1.91%**	**0.87%**	**0.76%**
Total Fund	**(1.96%)**	**3.66%**	**6.41%**	**6.60%**
Strategic Blended Index*	(2.00%)	7.40%	5.02%	6.11%
Excess Return	**0.04%**	**(3.74%)**	**1.39%**	**0.49%**

* Current Month Target = 31.0% Russell 3000 Index, 24.0% Blmbg:Aggregate, 21.0% MSCI ACWI xUS IMI, 13.0% Russell 3000 Index, 10.0% NCREIF NFI-ODCE Eq Wt Net and 1.0% 3-month Treasury Bill.
All returns are net of fees, time-weighted rates of return based on market/appraised values and cash flows.
The Fiscal Year is September 1st - August 31st.
(3)Fund is under watch.
(5)UBS Trumbull and Heitman are proxied to the benchmark until quarter end data is received.
(6)The Real Estate Benchmark is the NFI-ODCE Equal Weight Net as of 1/31/2017.

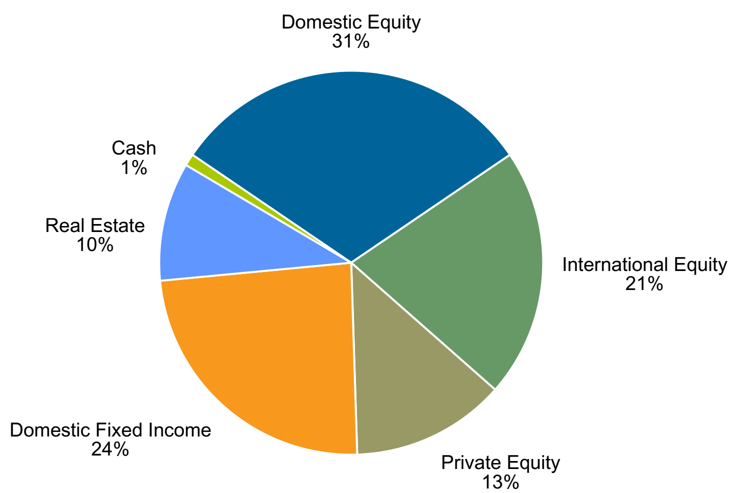
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of August 31, 2023. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	$Dollars Actual	Percent Actual	Percent Target	Percent Difference	$Dollars Difference
Domestic Equity	293,068,453	32.2%	31.0%	1.2%	10,949,609
International Equity	186,189,576	20.5%	21.0%	(0.5%)	(4,923,182)
Private Equity	139,258,287	15.3%	13.0%	2.3%	20,950,390
Domestic Fixed Income	191,376,037	21.0%	24.0%	(3.0%)	(27,038,546)
Real Estate	91,971,282	10.1%	10.0%	0.1%	965,202
MLP	7,531	0.0%	0.0%	0.0%	7,531
Cash	8,189,617	0.9%	1.0%	(0.1%)	(910,991)
Total	910,060,782	100.0%	100.0%		

*Current Month Target Performance is calculated using monthly rebalancing.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of August 31, 2023, with the distribution as of July 31, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	August 31, 2023				July 31, 2023	
	Market Value	**Weight**	**Net New Inv.**	**Inv. Return**	**Market Value**	**Weight**
Domestic Equity	**$293,068,453**	**32.20%**	**$(71,838)**	**$(6,402,044)**	**$299,542,336**	**32.19%**
Mellon Equity Index	101,027,872	11.10%	(5,045)	(1,629,029)	102,661,945	11.03%
Newton Dynamic US Equity	87,391,079	9.60%	(66,793)	(1,503,509)	88,961,381	9.56%
Wellington SMID	52,618,007	5.78%	0	(1,727,609)	54,345,616	5.84%
AllianceBernstein	52,031,496	5.72%	0	(1,541,897)	53,573,393	5.76%
International Equity	**$186,189,576**	**20.46%**	**$(10,506)**	**$(7,132,196)**	**$193,332,278**	**20.78%**
Mellon ACWI ex-US IMI	70,012,267	7.69%	(10,506)	(3,174,415)	73,197,189	7.87%
Arrowstreet ACWI ex-US IMI	60,569,932	6.66%	0	(1,913,582)	62,483,513	6.72%
Lazard International Equity	55,607,377	6.11%	0	(2,044,199)	57,651,576	6.20%
Private Equity	**$139,258,287**	**15.30%**	**$(1,454,210)**	**$(2,769,782)**	**$143,482,279**	**15.42%**
PAPEF VII	17,737,725	1.95%	0	(349,149)	18,086,874	1.94%
PASF II	3,487,005	0.38%	0	(68,638)	3,555,643	0.38%
PAPEF VIII	24,990,636	2.75%	(1,116,853)	(513,899)	26,621,388	2.86%
PASF III	25,895,357	2.85%	(557,239)	(520,692)	26,973,288	2.90%
PAPEF IX	21,315,511	2.34%	0	(419,574)	21,735,085	2.34%
PASF IV	30,948,383	3.40%	0	(609,187)	31,557,570	3.39%
PAPEF XI	9,300,159	1.02%	219,882	(178,736)	9,259,013	1.00%
Adams Street	5,583,511	0.61%	0	(109,906)	5,693,417	0.61%
Domestic Fixed Income	**$191,376,037**	**21.03%**	**$(4,239)**	**$(971,345)**	**$192,351,620**	**20.67%**
Mellon Aggregate Index	56,266,707	6.18%	(4,239)	(362,377)	56,633,323	6.09%
BlackRock	52,010,018	5.72%	0	(426,121)	52,436,139	5.64%
Wellington	52,355,208	5.75%	0	(314,579)	52,669,787	5.66%
Laddered Bonds	30,744,104	3.38%	0	131,732	30,612,371	3.29%
Real Estate	**$91,971,282**	**10.11%**	**$0**	**$(954,065)**	**$92,925,346**	**9.99%**
UBS Trumbull Fund(3)	36,641,719	4.03%	0	(380,103)	37,021,822	3.98%
Heitman	55,329,563	6.08%	0	(573,961)	55,903,524	6.01%
MLP	**$7,531**	**0.00%**	**$0**	**$(3)**	**$7,533**	**0.00%**
Salient Advisors(1)	7,531	0.00%	0	(3)	7,533	0.00%
Cash	**$8,189,617**	**0.90%**	**$(638,893)**	**$50,705**	**$8,777,805**	**0.94%**
Total Fund	**$910,060,782**	**100.0%**	**$(2,179,686)**	**$(18,178,729)**	**$930,419,197**	**100.0%**

(1)Fund has been liquidated, only cash position remains.
(3)Fund is under watch.

CITY OF EL PASO EMPLOYEES RETIREMENT TRUST
(A Component Unit of the City of El Paso, Texas)
SCHEDULE OF MANAGEMENT FEES AND BROKER COMMISSIONS
AUGUST 31, 2023

MANAGEMENT FEES

U.S. GOVERNMENT SECURITIES	-
BANK COLLECTIVE INVESTMENT FUNDS MANAGERS	$135,143
COMMINGLED FUNDS: FIXED INCOME FUNDS MANAGERS	$233,291
COMMINGLED FUNDS: CORPORATE STOCKS MANAGERS	$368,385
PRIVATE REAL ESTATE MANAGERS	$240,000
PRIVATE EQUITY INVESTMENT MANAGERS	$982,605
TOTAL	$1,959,424

Fee Disclosure

The City of El Paso Employees Retirement Trust pays an average of 0.62% of market value in annual commissions and fees for investment Management.

Direct and Indirect Fees and Commissions

ASSET CLASS	MANAGEMENT FEES PAID FROM TRUST	MANAGEMENT FEES NETTED FROM RETURNS	TOTAL INVESTMENT MANAGEMENT FEES (Management Fees Netted from Returns + Management Fees Paid From Trust)	BROKERAGE FEES/COMMISSIONS	PROFIT SHARE/CARRIED INTEREST	TOTAL DIRECT AND INDIRECT FEES AND COMMISSIONS (Management Fees + Brokerage Fees/Commissions + Profit Share)
Cash	$ -	$ -	$ -	$ -	$ -	**$ -**
Public Equity	$ 1,099,896	$ 754,464	$ 1,854,360	$ -	$ -	**$ 1,854,360**
Fixed Income	$ 205,095	$ -	$ 205,095	$ -	$ -	**$ 205,095**
Real Assets	$ 267,460	$ 561,842	$ 829,302	$ -	$ -	**$ 829,302**
Alternative/Other	$ 1,187,177	$ 301,846	$ 1,489,023	$ -	$ 183,575	**$ 1,672,598**
TOTAL	**$ 2,759,629**	**$ 1,618,152**	**$ 4,377,781**	**$ -**	**$ 183,575**	**$ 4,561,356**

Alternative/Other

List of Alternative/Other Investments*
Private Equity

Investment Managers

List of Investment Manager Names*
Adams Street
Alliance Bernstein
Arrowstreet
BlackRock
Heitman
Lazard
Mellon Capital
Newton
Portfolio Advisors
UBS
Wellington

Total Investment Expenses

Total Direct and Indirect Fees and Commissions	**$ 4,561,356**
Investment Services	
Custodial	$ 151,236
Research	$ -
Investment Consulting	$ 355,000
Legal	$ -
Total	**$ 506,236**
Total Investment Expenses (Total Direct and Indirect Fees and Commissions + Investment Services)	$ 5,067,592

ACTUARIAL SECTION

BUCK
A Gallagher Company

January 18, 2024

Mr. Robert B. Ash
Pension Administrator
City of El Paso Employees Retirement Trust
1039 Chelsea Street
El Paso, TX 79903

Re: September 1, 2023 Interim Valuation Results - Updated[1]

Dear Robert,

This report provides the results of the September 1, 2023 interim valuation of the City of El Paso Employees Retirement Trust (Plan). It is based on (i) a roll-forward of the September 1, 2022 valuation liabilities with adjustments for the new assumptions the Board adopted in May 2023, and (ii) the August 31, 2023 unaudited asset statement that was provided to us by the City on October 20, 2023. Attached are exhibits that provide the key valuation results (the September 1, 2022 valuation results are shown for comparison purposes).

The primary purposes of the interim valuation are to (i) determine the adequacy of the current contribution rate of the City, (ii) describe the current financial condition of the Plan, and (iii) analyze changes in the Plan's condition since the last valuation.

Use of this report for any other purpose or by anyone other than the City or the Board may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Buck recommends requesting it to perform an advance review of any statement, document, or filing based on information contained in this report. Buck will accept no liability for any such statement; document or filing made without prior review by Buck.

This interim valuation is based on the member data, plan provisions, and actuarial assumptions and methods used in the September 1, 2022 valuation, except as noted in Schedule A.

Where presented, references to "funded ratio" and "unfunded accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Plan if the Plan were to settle (i.e., purchase annuities) for all or a portion of its liabilities.

[1] This is an updated to our report dated December 15, 2023. Additional information has been added in Section 2.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

Actuarial Standard of Practice No. 51 (“ASOP 51”) applies to funding calculations such as those presented in this report and requires certain disclosures of potential risks. Schedule B presents an assessment of the key risks applicable to this plan, as well as historical information and plan maturity measures. Schedule B includes the Low-Default-Risk Obligation Measure (LDROM), which is now required for pension plan funding valuations based on a recent update to Actuarial Standard of Practice No. 4 (“ASOP 4”).

Actuarial Standard of Practice No. 56 (“ASOP 56”) provides guidance to actuaries when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Buck uses third-party software in the performance of annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding rules specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding rules to the liabilities derived and other inputs, such as plan assets and contributions, to generate the exhibits found in this report. Buck has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal model are similarly reviewed in detail and at a high level for accuracy, reasonability and consistency with prior results. Buck also reviews the third-party model when significant changes are made to the software. The review is performed by experts within the company who are familiar with applicable funding rules as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed. Significant changes to the internal model that are applicable to multiple clients are generally developed, checked and reviewed by multiple experts within the company who are familiar with the details of the required changes.

ASOPs 27 and 35 require the actuary to disclose the information and analysis used to support the actuary’s determination that the assumptions selected by the plan sponsor do not significantly conflict with what, in the actuary’s professional judgment, are reasonable for the purpose of the measurement. In the case of the plan sponsor’s selection of expected return on assets (“EROA”), the signing actuaries have used economic information and tools provided by Buck’s Financial Risk Management (“FRM”) practice. A spreadsheet tool created by the FRM team converts averages, standard deviations, and correlations from Buck’s Capital Markets Assumptions (“CMA”) that are used for stochastic forecasting into approximate percentile ranges for the arithmetic and geometric average returns. It is intended to suggest possible reasonable ranges for EROA without attempting to predict or select a specific best estimate rate of return. It takes into account the duration (horizon) of investment and the target allocation of assets in the portfolio to various asset classes. Based on the actuary’s analysis, including consistency with other assumptions used in the valuation and the percentiles generated by the spreadsheet described above, and review of actuarial gain/loss analysis, the actuary believes the assumptions do not conflict with what, in the actuary’s professional judgment, are reasonable for the purpose of the measurement.

This report was prepared under our supervision and in accordance with all applicable Actuarial Standards of Practice. We are Fellows of the Society of Actuaries, Enrolled Actuaries, Members of the American Academy of Actuaries and Fellows of the Conference of Consulting Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

We are available to discuss this report with you at your convenience. David can be reached at (602) 803-6174 and Beth can be reached at (208) 724-5297.

Sincerely,

Buck, A Gallagher Company

David J. Kershner, FSA, EA, MAAA, FCA
Principal

Elizabeth Wiley, FSA, EA, MAAA, FCA
Senior Consultant

Section 1 – Summary of Valuation Results

	September 1, 2023	September 1, 2022
Membership[1]		
Active		4,128
Terminated with deferred benefits[2]		173
Retired paid from Plan[3]		3,657
Compensation		
Total (excluding 4% overtime load)	$185,045,262	$ 180,531,963
Average		$ 43,734
Assets		
Market value	$ 907,700,487	$ 907,610,032
Actuarial value	$ 967,969,765	$ 947,404,127
Valuation Results		
Actuarial Accrued Liability (AAL)	$ 1,219,873,340	$ 1,171,459,737
Actuarial Value of Assets (AVA)	$ 967,969,765	$ 947,404,127
Funded Ratio (AVA/AAL)	79.4%	80.9%
Unfunded Actuarial Accrued Liability (UAAL)	$ 251,903,575	$ 224,055,610
UAAL funding period	17 years	14 years
Actuarially Determined Contribution (ADC)		
Employer Normal Cost Rate	2.84%	2.47%
UAAL Amortization Rate	9.54%	8.55%
Total Rate	12.38%	11.02%
Excess of City's Fixed Contribution Rate Over ADC	1.67%	3.03%

[1] Census data as of July 1 preceding valuation date. Census data was not collected for the September 1, 2023 interim valuation.
[2] Excludes terminated members entitled to refunds of contributions paid after July 1.
[3] Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Plan.

Section 2 – Comments on the Valuation

Overview

The overall funded status of the Plan has decreased since the September 1, 2022 valuation. As this is an interim valuation, demographic information is rolled forward from the previous year's valuation and therefore there are no changes to the funded status due to demographic changes. Assets did not perform as expected in FY23. In addition, several assumption changes were approved by the Board in May 2023 based on the experience study for the period September 1, 2018 through August 31, 2022. These assumption changes increased liabilities by approx. $24.4 million (2%).

Section 4 provides more detail regarding changes in the Unfunded Actuarial Accrued Liability (UAAL) since the last valuation.

Funded Status

There are two significant measures of the funded status of the Plan (in addition to the funded ratio).

- The first is the Actuarially Determined Contribution (ADC). This is the City's contribution rate (the ADC as a percentage of payroll) that is required to pay the Normal Cost and to amortize the UAAL over 25-year periods based on the funding method that was adopted by the Board in 2019. This rate is currently 12.38% of pay (the City's fixed contribution rate is 14.05% of pay). The corresponding rate from the September 1, 2022 valuation was 11.02%. The increase in this rate is due to the asset performance and assumption changes described above.
- The second is the UAAL funding period. This is the length of time in years that will be required to amortize the current UAAL based on the City's fixed contribution rate. This period is currently 17 years, compared to 14 years in 2022. The increase in this period is due to the asset performance and assumption changes described above.

Benefit Provisions

Benefit provisions are unchanged from the September 1, 2022 valuation report. Schedule B of the September 1, 2022 valuation report summarizes the benefit provisions of the Plan.

Actuarial Assumptions

Schedule A describes the actuarial assumptions used in the valuation. These assumptions were adopted by the Board based on the experience study for the period September 1, 2018 to August 31, 2022 and the funding policy that was formalized in 2019.

Financial Data

The financial data used in this report was provided by the City on October 20, 2023.

Section 3 shows a reconciliation of the Plan's assets between August 31, 2022 through August 31, 2023 and the development of the Actuarial Value of Assets (AVA). To minimize volatility in contribution rates, we use an adjusted market value (AVA) which phases in market gains and losses over five years. The market return was 3.4% for FY23, which resulted in a market loss of $34.8 million for the year. The FY23 actuarial return was 5.4%.

Section 3 – Summary of Asset Information

Reconciliation of Plan Assets

	Period Ending August 31, 2023	Period Ending August 31, 2022
1. Market value of assets at beginning of period	$ 907,610,032	$ 1,028,462,335
2. Contributions		
a. City	$ 32,780,061	$ 26,090,035
b. Member	18,393,602	15,998,718
c. Total	$ 51,173,663	$ 42,088,753
3. Benefit payments and refunds	(81,008,869)	(84,876,133)
4. Investment earnings (net of investment expenses)	31,794,467	(76,419,409)
5. Administrative expenses	(1,868,806)	(1,645,514)
6. Market value of assets at end of period	$ 907,700,487	$ 907,610,032

Section 3 – Summary of Asset Information (continued)

Determination of Investment Earnings to be Deferred

		Period Ending	
		August 31, 2023	August 31, 2022
1.	Market value at beginning of period	$ 907,610,032	$ 1,028,462,335
2.	Cash flows		
	a. City contributions	$ 32,780,061	$ 26,090,035
	b. Member contributions	18,393,602	15,998,718
	c. Benefit payments	(77,160,747)	(79,297,591)
	d. Refunds	(3,848,122)	(5,578,542)
	e. Total	$ (29,835,206)	$ (42,787,380)
3.	Weighted cash flows (2e x 50%)	$ (14,917,603)	$ (21,393,690)
4.	Assets available (1 + 3)	$ 892,692,429	$ 1,007,068,645
5.	Assumed investment return rate	7.25%	7.25%
6.	Expected net return (4 x 5)	$ 64,720,201	$ 73,012,477
7.	Actual net return		
	a. Total investment return	$ 31,794,467	$ (76,419,409)
	b. Administrative expenses	(1,868,806)	(1,645,514)
	c. Net return	$ 29,925,661	$ (78,064,923)
8.	Gain/(loss) subject to deferral (7c - 6)	$ (34,794,540)	$ (151,077,400)

Section 3 – Summary of Asset Information (continued)

Calculation of Actuarial Value of Assets

1. Market value of assets as of August 31, 2023 $ 907,700,487
2. Deferral amounts

Year	Total Gain/(Loss)	Percent Deferred	Deferral Amount
2022-2023	$ (34,794,540)	80%	$ (27,835,632)
2021-2022	(151,077,400)	60%	(90,646,440)
2020-2021	122,992,282	40%	49,196,913
2019-2020	45,079,403	20%	9,015,881
Total			$ (60,269,278)

3. Actuarial value of assets as of September 1, 2023 (1 – 2) $ 967,969,765

Section 4 – Schedule of UAAL Layered Amortizations

Analysis of Change in UAAL

1.	UAAL as of September 1, 2022	$ 224,055,610
2.	Changes due to:	
	a. Expected increase/(decrease)	1,751,828
	b. Actual contributions greater than expected	(13,679,341)
	c. Liability experience	0
	d. Asset experience	15,400,763
	e. Assumption Changes	24,374,715
	f. Other Changes	0
	Total Changes	$ 27,847,965
3.	UAAL as of September 1, 2023	$ 251,903,575

Schedule of UAAL Layered Amortizations

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	End-of-Year Payment
Initial[1]	9/1/2019	21	$ 217,986,352	$ 221,650,375	$ 16,390,272
Change in Assumptions	9/1/2020	22	20,343	20,587	1,481
FY20 Experience[2]	9/1/2020	22	(2,683,153)	(2,715,317)	(195,344)
FY21 Experience[3]	9/1/2021	23	(33,526,549)	(33,848,016)	(2,373,564)
FY22 Experience[4]	9/1/2022	24	38,929,517	39,145,083	2,680,311
Change in Assumptions	9/1/2023	25	24,374,715	24,374,715	1,632,196
FY23 Experience[5]	9/1/2023	25	3,276,148	3,276,148	219,380
Total				$ 251,903,575	$ 18,354,732

[1] Based on the September 1, 2019 interim valuation (includes the FY19 asset loss).
[2] Combination of liability experience, FY20 asset experience, and contributions greater than expected.
[3] Combination of FY21 asset experience and contributions greater than expected.
[4] Combination of liability experience, FY22 asset experience, and contributions greater than expected.
[5] Combination of FY23 asset experience and contributions greater than expected.

Schedule A – Summary of Actuarial Assumptions

The economic and demographic assumptions used in the valuation were adopted by the Board in May 2023 in consultation with Buck. The Board's established practice is to review the experience of the Plan periodically to determine if any changes to the valuation assumptions are warranted. The new assumptions used in the September 1, 2023 interim valuation are based on the experience study for the period September 1, 2018 through August 31, 2022. All other assumptions were unchanged from those that were used in the September 1, 2022 valuation.

Unchanged Assumptions

Investment Return – 7.25% per year, net of expenses.

Occupational Death – 5% of deaths among active participants are assumed to be job-related deaths. The remaining 95% of deaths are assumed not to be job-related.

Payroll Growth – Total payroll is assumed to increase 2.50% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

Overtime – 4% of base and longevity pay.

Form of Payment – 85% of participants eligible for early retirement are assumed to be paid through a joint and 2/3 survivor annuity. The remaining 15% of participants eligible for early retirement are assumed to elect a refund of contributions.

Future Expenses – None assumed.

New Assumptions

Separations Before Normal Retirement

Assumed annual rates of withdrawal are as follows:

	Withdrawal					
	Years of Credited Service					
Age	<2	2	3	4	5	6+
<25	13.0%	16.0%	15.0%	15.0%	12.0%	10.0%
25-29	13.0	16.0	15.0	15.0	12.0	10.0
30-34	13.0	16.0	15.0	15.0	12.0	10.0
35-39	6.0	16.0	15.0	15.0	11.0	8.5
40-44	6.0	10.0	15.0	11.0	8.0	8.5
45-49	6.0	10.0	10.0	5.0	8.0	8.5
50-54	6.0	10.0	8.0	5.0	8.0	7.0
55-59	6.0	8.5	8.0	5.0	4.5	7.0
60+	6.0	8.5	8.0	5.0	4.5	7.0

Schedule A – Summary of Actuarial Assumptions (continued)

Mortality

Mortality rates for active and deferred vested participants are based on the Pub-2010 General Employee benefit-weighted table projected with Scale MP-2021 on a fully generational basis.

Mortality rates for healthy retirees are based on 112% of the Pub-2010 General Retiree benefit-weighted table projected with Scale MP-2021 on a fully generational basis.

Mortality rates for survivors are based on 112% of the Pub-2010 Contingent Annuitant benefit-weighted table projected with Scale MP-2021 on a fully generational basis.

Mortality rates for disabled retirees are based on the Pub-2010 Non-Safety Disabled benefit-weighted table projected with Scale MP-2021 on a fully generational basis.

Disability

Representative values of the assumed annual rates of disability are as follows:

Disability		
	Gender	
Age	Male	Female
<25	0.0000%	0.0000%
30	0.0275	0.0135
35	0.0650	0.0442
40	0.0749	0.0896
45	0.1027	0.1455
50	0.1484	0.2072
55	0.2477	0.3488
60+	0.3740	0.5583

Salary Increases

The assumed annual rates of future salary increase attributable to longevity and promotion are as follows:

Years of Service	Annual Rate of Salary Increase
Less than 3	5.00%
3-6	4.50
7-11`	4.00
12-15	3.50
16+	3.25

Schedule A – Summary of Actuarial Assumptions (continued)

Retirement Rates

The percentage of those eligible for retirement assumed to retire at each age is shown below for Tier 1:

Tier 1 Retirement Rates					
	Early			Normal	
Age	Male	Female	Age	Male	Female
40-49	3.5%	3.0%	40-49	n/a	n/a
50-54	5.0	4.0	50-54	10.0%	12.0%
55-59	5.0	8.0	55-59	13.5	13.5
60+	—	—	60-64	15.0	15.0
			65-74	30.0	30.0
			75+	100.0	100.0

The percentage of those eligible for retirement assumed to retire at each age is shown below for Tier 2:

Tier 2 Retirement Rates					
	Early			Normal	
Age	Male	Female	Age	Male	Female
45-59	3.5%	3.0%	45-49	2.5%	2.5%
60+	—	—	50-52	1.5	1.5
			53-54	5.0	5.0
			55-61	8.0	7.0
			62	10.0	7.0
			63-65	10.0	12.0
			66	30.0	12.0
			67	45.0	12.0
			68-69	25.0	20.0
			70-72	40.0	20.0
			73-74	60.0	100.0
			75+	100.0	100.0

Spouses

100% of active members are assumed to be married with the male two years older than the female. No children’s benefits were valued.

January 31, 2023

Mr. Robert B. Ash
Pension Administrator
City of El Paso Employees' Retirement Trust
1039 Chelsea St.
El Paso, TX 79903

Dear Robert,

This report summarizes the results of the September 1, 2022 actuarial valuation of the City of El Paso Employees Retirement Trust (Plan).

The primary purposes of the valuation are to (i) determine the adequacy of the current contribution rate of the City, (ii) describe the current financial condition of the Plan, and (iii) analyze changes in the Plan's condition since the last valuation.

Valuations are prepared biennially, as of September 1 of even years. September 1 is the first day of the Plan's plan year. Interim valuations are prepared as of September 1 of odd years based on updated assets and a roll-forward of liabilities from the previous valuation.

Use of this report for any other purpose or by anyone other than the City or the Board may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Buck recommends requesting it to perform an advance review of any statement, document, or filing based on information contained in this report. Buck will accept no liability for any such statement, document or filing made without prior review by Buck.

The actuarial valuation reflects the benefit and contribution provisions set forth in the Plan's statutes. A summary of the benefit provisions used in the valuation is presented in Schedule B. There were no changes in benefit provisions since the previous valuation.

The actuarial assumptions and methods used in the valuation are presented in Schedule C. In our opinion, the actuarial assumptions are reasonable, taking into account the experience of the Plan and reasonable long-term expectations, and represent our best estimate of the anticipated long-term experience under the Plan. The assumptions and methods used in the valuation were adopted by the Board based on (i) the experience study for the period September 1, 2014 to August 31, 2018, and (ii) the funding policy that was formalized in 2019. All assumptions o are evaluated and discussed annually with the appropriate parties, and actuarial gain/loss experience is reviewed during each valuation to see if any changes are needed. All assumptions represent our best estimate of future experience.

Member data for active, retired, and inactive members was supplied as of July 1, 2022 by the City. The City is solely responsible for the accuracy and comprehensiveness of the data. We did not verify the data submitted but did perform tests for consistency and reasonableness. Asset information was supplied by the City on November 15, 2022.

Governmental Accounting Standards Board (GASB) Statement No. 67 (GASB 67) was effective for the Plan beginning with fiscal year ending August 31, 2014. We have prepared the member data tables shown in Schedule A of this report for the Statistical Section of the ACFR, as well as the summary of actuarial assumptions shown in Schedule C of this report. Please see our separate GASB 67 reports for other information needed for the ACFR.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

Actuarial Standard of Practice No. 51 ("ASOP 51") applies to funding calculations such as those presented in this report and requires certain disclosures of potential risks. Schedule D presents an assessment of the key risks applicable to this plan, as well as historical information and plan maturity measures.

Actuarial Standard of Practice No. 56 ("ASOP 56") provides guidance to actuaries when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Buck uses third-party software in the performance of annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding rules specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding rules to the liabilities derived and other inputs, such as plan assets and contributions, to generate the exhibits found in this report. Buck has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal model are similarly reviewed in detail and at a high level for accuracy, reasonability and consistency with prior results. Buck also reviews the third-party model when significant changes are made to the software. The review is performed by experts within the company who are familiar with applicable funding rules as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed. Significant changes to the internal model that are applicable to multiple clients are generally developed, checked and reviewed by multiple experts within the company who are familiar with the details of the required changes.

ASOPs 27 and 35 require the actuary to disclose the information and analysis used to support the actuary's determination that the assumptions selected by the plan sponsor do not significantly conflict with what, in the actuary's professional judgment, are reasonable for the purpose of the measurement. In the case of the plan sponsor's selection of expected return on assets ("EROA"), the signing actuaries have used economic information and tools provided by Buck's Financial Risk Management ("FRM") practice. A spreadsheet tool created by the FRM team converts averages, standard deviations, and correlations from Buck's Capital Markets Assumptions ("CMA") that are used for stochastic forecasting into approximate percentile ranges for the arithmetic and geometric average returns. It is intended to suggest possible reasonable ranges for EROA without attempting to predict or select a specific best estimate rate of return. It takes into account the duration (horizon) of investment and the target allocation of assets in the portfolio to various asset classes. Based on the actuary's analysis, including consistency with other assumptions used in the valuation and the percentiles generated by the spreadsheet described above, and review of actuarial gain/loss analysis, the actuary believes the assumptions do not conflict with what, in the actuary's professional judgment, are reasonable for the purpose of the measurement.

Where presented, references to "funded ratio" and "unfunded accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Plan if the Plan were to settle (i.e., purchase annuities) for all or a portion of its liabilities.

This report was prepared under our supervision and in accordance with all applicable Actuarial Standards of Practice. The assumptions and methods used for funding purposes meet the requirements of all applicable Actuarial Standards of Practice. We are Fellows of the Society of Actuaries, Enrolled Actuaries, Members of the American Academy of Actuaries, and Fellows of the Conference of Consulting Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

We are available to discuss this report with you at your convenience. David can be reached at 602-803-6174 and Beth can be reached at (208) 724-5297.

Sincerely,

Buck Global, LLC (Buck)

David J. Kershner, FSA, EA, MAAA, FCA
Principal

Elizabeth A. Wiley, FSA, EA, MAAA, FCA
Senior Consultant

Section 1 – Summary of Results

	September 1, 2022	September 1, 2020
Membership[1]		
Active	4,128	4,304
Terminated with deferred benefits[2]	173	162
Retired paid from Plan[3]	3,657	3,476
Compensation		
Total	$ 180,531,963	$ 167,790,367
Average	$ 43,734	$ 38,985
Assets		
Market value	$ 907,610,032	$ 877,989,396
Actuarial value	$ 947,404,127	$ 867,570,209
Valuation Results		
Actuarial Accrued Liability (AAL)	$ 1,171,459,737	$ 1,085,022,171
Actuarial Value of Assets (AVA)	$ 947,404,127	$ 867,570,209
Funded ratio (AVA/AAL)	80.9%	80.0%
Unfunded Actuarial Accrued Liability (UAAL)	$ 224,055,610	$ 217,451,962
UAAL funding period	14 years	16 years
Actuarially Determined Contribution (ADC)		
Normal cost rate (net of member contributions)	2.47%	2.99%
UAAL amortization rate	8.55%	8.53%
Total rate	11.02%	11.52%
Excess of City's Fixed Contribution Rate Over ADC	3.03%	2.53%

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[1] Census data as of July 1 preceding the valuation date.
[2] Excludes terminated members entitled to refunds of contributions paid after July 1.
[3] Excludes retirees for whom annuities were purchased from Prudential, but whose cost of living increases are paid by the Plan.

Section 2 – Comments on the Valuation

Overview

The overall funded status of the Plan has decreased since the September 1, 2020 valuation. Pay increases were higher than anticipated and more retirements than expected increased liabilities. A $1,500 13th check issued in 2021 was paid from plan assets but was not reflected in the liabilities as of the beginning of the year, thereby increasing the unfunded liability. Assets performed better than expected in fiscal year 2021 but lower than expected in fiscal year 2022[1].

Section 3 shows in more detail the changes to the UAAL.

Funding Status

There are two significant measures of the funding status of the Plan.

- The first is the Actuarially Determined Contribution (ADC). This is the City's contribution rate (the ADC as a percentage of payroll) that is required to pay the Normal Cost and to amortize the UAAL over 25-year periods. This rate is currently 11.02% of pay (the City's fixed contribution rate is 14.05% of pay). The corresponding rate from the September 1, 2020 valuation was 11.52%.
- The second is the UAAL funding period. This is the length of time in years that will be required to amortize the current UAAL based on the fixed contribution rates. This period is currently 14 years, compared to 16 years in 2020.

Benefit Provisions

Schedule B summarizes the benefit provisions of the Plan. The provisions were changed effective September 1, 2011 so that members of the Plan prior to September 1, 2011 are eligible for the First Tier Plan, and members of the Plan on or after September 1, 2011 are eligible for the Second Tier Plan. There are no significant benefits which were not taken into account in this valuation. There were no changes to the benefit provisions since the previous valuation.

Actuarial Assumptions and Methods

Schedule C describes the assumptions and methods used in the valuation. These assumptions and methods were adopted by the Board based on the experience study for the period September 1, 2014 to August 31, 2018 and the funding policy that was formalized in 2019. There were no changes to the assumptions or methods since the previous valuation.

Financial Data

The financial data used in this report was provided by the City on November 15, 2022.

Section 5 shows a reconciliation of the Plan's assets between August 31, 2020 through August 31, 2021, and from August 31, 2021 through August 31, 2022, and shows the development of the Actuarial Value of Assets (AVA). To minimize volatility in contribution rates, we use an adjusted market value (AVA) which phases in market gains and losses over five years. The market returns for the two years since the last valuation were 21.5% and -7.8% for fiscal years 2021 and 2022 respectively. The actuarial returns were 10.7% and 7.4% for fiscal years 2021 and 2022 respectively.

Membership Statistics

Data on active and retired members was supplied by the City as of July 1, 2022. The active membership decreased from 4,304 to 4,128 between 2020 and 2022, while payroll increased from $167.8 million to $180.5 million over the same period. The number of retirees and beneficiaries receiving benefits increased from 3,476 to 3,657 during this 2-year period. Schedule A provides a summary of the membership data used in the current and prior valuations.

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[1] The market returns were approximately 21.5% in fiscal year 2021 and -7.8% in fiscal year 2022.

Section 3 – Actuarial Funding Requirements

Actuarial Liabilities, Costs and Funding Period

		September 1, 2022	September 1, 2020
1.	Covered Payroll (excluding 4% overtime load)	$ 180,531,963	$ 167,790,367
2.	Actuarial present value of future pay	$ 1,386,012,391	$ 1,266,925,833
3.	Current contribution rates		
	a. City	14.05%	14.05%
	b. Member	8.95%	8.95%
	c. Total	23.00%	23.00%
4.	Normal cost rate		
	a. Total (before adjustment for overtime)	11.88%	12.42%
	b. Total (after adjustment for overtime)	11.42%	11.94%
	c. Member contribution rate	8.95%	8.95%
	d. Employer normal cost rate (4b – 4c)	2.47%	2.99%
5.	Actuarial present value of future benefits	$ 1,336,118,009	$ 1,242,374,359
6.	Actuarial present value of future normal costs (4a x 2)	$ 164,658,272	$ 157,352,188
7.	Actuarial accrued liability (5 – 6)	$ 1,171,459,737	$ 1,085,022,171
8.	Actuarial value of assets	$ 947,404,127	$ 867,570,209
9.	Unfunded actuarial accrued liability (UAAL) (7 – 8)	$ 224,055,610	$ 217,451,962
10.	City's Actuarially Determined Contribution (ADC)		
	a. Employer normal cost rate (4d)	2.47%	2.99%
	b. UAAL amortization rate	8.55%	8.53%
	c. Total	11.02%	11.52%
11.	Margin over/(under) ADC (3a – 10c)	3.03%	2.53%
12.	UAAL funding period	14 years	16 years

Section 3 – Actuarial Funding Requirements (continued)

Analysis of Change in UAAL

1.	UAAL as of September 1, 2020	$	217,451,962
2.	Changes due to:		
	a. Expected increase/(decrease)		1,211,813
	b. Actual contributions greater than expected		(12,188,063)
	c. Other changes including liability experience		42,499,554
	d. Asset experience		(30,509,189)
	e. Assumption Changes		0
	f. 13th Check		5,589,533
	Total Changes	$	6,603,648
3.	UAAL as of September 1, 2022	$	224,055,610

Schedule of UAAL Layered Amortizations

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	End-of-Year Payment
Initial[1]	9/1/2019	22	$ 217,986,352	$ 221,526,633	$ 15,936,939
Change in Assumptions	9/1/2020	23	20,343	20,538	1,440
FY20 Experience[2]	9/1/2020	23	(2,683,153)	(2,708,881)	(189,958)
FY21 Experience[3]	9/1/2021	24	(33,526,549)	(33,712,197)	(2,308,315)
FY22 Experience[4]	9/1/2022	25	38,929,517	38,929,517	2,606,824
Total				$ 224,055,610	$ 16,046,930

[1] Based on the September 1, 2019 roll-forward valuation (includes the FY19 asset loss).
[2] Combination of liability experience, FY20 asset experience, and contributions greater than expected.
[3] Combination of FY21 asset experience and contributions greater than expected.
[4] Combination of liability experience, FY22 asset experience, and contributions greater than expected.

Section 4 – Historical Funding Information

Historical Funding Detail (in $millions)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) – Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll[1]	UAAL as a Percentage of Covered Payroll
September 1, 2008	552.8	631.6	78.8	87.5%	136.5	57.7%
September 1, 2010	569.7	710.0	140.3	80.2%	143.1	98.0%
September 1, 2012	581.7	788.2	206.5	73.8%	147.7	139.8%
September 1, 2014	663.1	859.7	196.7	77.1%	153.6	128.0%
September 1, 2016	749.0	945.8	196.7	79.2%	156.3	125.9%
September 1, 2018	822.9	1,024.4	201.5	80.3%	167.2	120.5%
September 1, 2020	867.6	1,085.0	217.5	80.0%	167.8	129.6%
September 1, 2022	947.4	1,171.5	224.1	80.9%	180.5	124.1%

[1] Excluding 4% overtime load.

Section 4 – Historical Funding Information (continued)

Schedule of Employer Contributions

Valuation Date	Fiscal Year Ending	City's Actuarially Determined Contribution[1]	Percentage Contributed
September 1, 2008	August 31, 2009	13,459,678	128.1%
September 1, 2010	August 31, 2011	17,544,977	100.5%
September 1, 2012	August 31, 2013	20,668,877	94.5%
September 1, 2014	August 31, 2015	18,848,390	121.6%
September 1, 2016	August 31, 2017	16,274,581	155.6%
September 1, 2018	August 31, 2019	16,488,437	156.2%
September 1, 2020	August 31, 2021	19,329,450	131.5%
September 1, 2022	August 31, 2023	19,894,622	TBD

[1] Based on projected payroll.

Section 4 – Historical Funding Information (continued)

Solvency Test

Valuation as of September 1	(1) Active Member Contributions	(2) Retirees, Beneficiaries, and Deferred Vested	(3) Active Member Employer Financed	Actuarial Value of Assets	Portion of Accrued Liability Covered by Valuation Assets		
					(1)	(2)	(3)
2012	$ 125,711,138	$ 402,599,130	$ 259,894,173	$ 581,725,101	100%	100%	21%
2014	138,800,612	447,319,039	273,625,284	663,063,411	100%	100%	28%
2016	149,806,820	551,471,729	244,493,549	749,026,818	100%	100%	20%
2018	175,353,211	622,985,979	226,039,977	822,926,030	100%	100%	11%
2020	175,731,674	702,353,131	206,937,366	867,570,209	100%	99%	0%
2022	172,662,959	778,884,327	219,912,451	947,404,127	100%	99%	0%

Section 5 – Summary of Asset Information

Reconciliation of Plan Assets

	Period Ending	
	August 31, 2022	August 31, 2021
1. Market value of assets at beginning of period	$ 1,028,462,335	$ 877,989,396
2. Contributions		
a. City	$ 26,090,035	$ 25,416,971
b. Member	15,998,718	14,905,816
c. Total	$ 42,088,753	$ 40,322,787
3. Benefit payments and refunds	(84,876,133)	(75,230,941)
4. Investment earnings (net of investment expenses)	(76,419,409)	190,067,092
5. Administrative expenses	(1,645,514)	(4,685,999)
6. Market value of assets at end of period	$ 907,610,032	$ 1,028,462,335

Section 5 – Summary of Asset Information (continued)

Determination of Investment Earnings to be Deferred

	Period Ending	
	August 31, 2022	**August 31, 2021**
1. Market value at beginning of period	$ 1,028,462,335	$ 877,989,396
2. Cash flows		
a. City contributions	$ 26,090,035	$ 25,416,971
b. Member contributions	15,998,718	14,905,816
c. Benefit payments	(79,297,591)	(71,426,654)
d. Refunds	(5,578,542)	(3,804,287)
e. Total	$ (42,787,380)	$ (34,908,154)
3. Weighted cash flows (2e x 50%)	$ (21,393,690)	$ (17,454,077)
4. Assets available (1 + 3)	$ 1,007,068,645	$ 860,535,319
5. Assumed investment return rate	7.25%	7.25%
6. Expected net return (4 x 5)	$ 73,012,477	$ 62,388,811
7. Actual net return		
a. Total investment return	$ (76,419,409)	$ 190,067,092
b. Administrative expenses	(1,645,514)	(4,685,999)
c. Net return	$ (78,064,923)	$ 185,381,093
8. Gain/(loss) subject to deferral (7c - 6)	$ (151,077,400)	$ 122,992,282

Section 5 – Summary of Asset Information (continued)

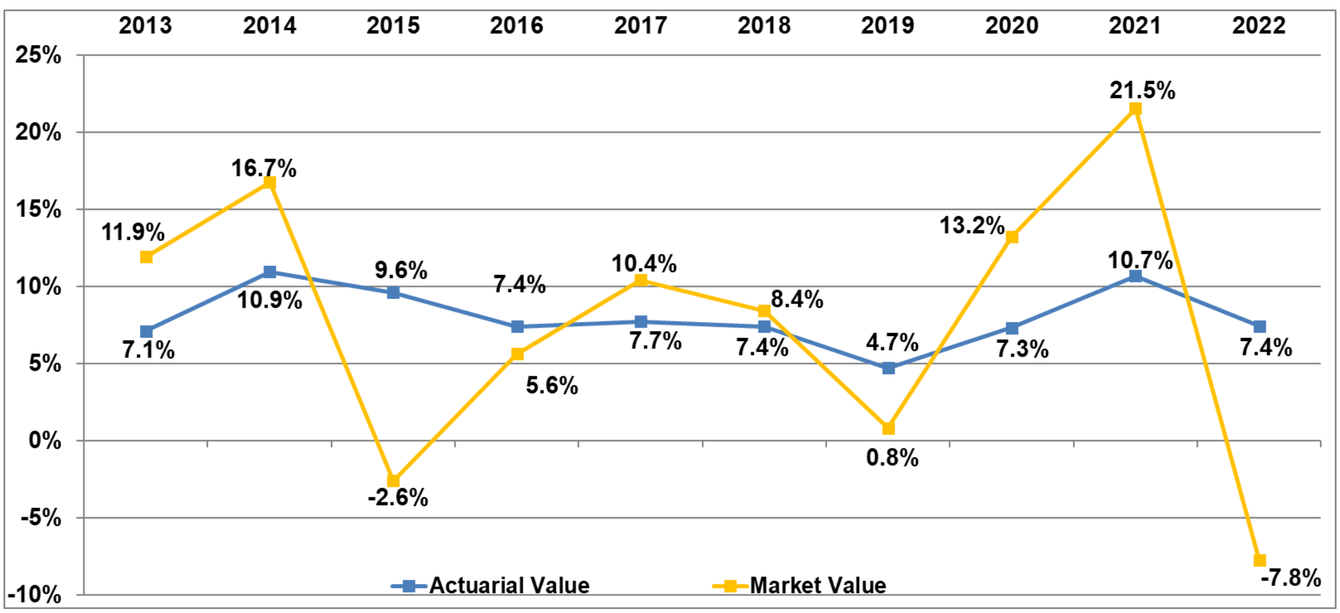
Calculation of Actuarial Value of Assets

1. Market value of assets as of August 31, 2022 $ 907,610,032
2. Deferral amounts

Year	Total Gain/(Loss)	Percent Deferred	Deferral Amount
2021-2022	$ (151,077,400)	80%	$ (120,861,920)
2020-2021	122,992,282	60%	73,795,396
2019-2020	45,079,403	40%	18,031,761
2018-2019	(53,796,523)	20%	(10,759,305)
Total			$ (39,794,095)

3. Actuarial value of assets as of September 1, 2022 (1 – 2) $ 947,404,127

Historical Asset Rates of Return



Section 6 – 10-Year Projections[1]

FYE	Expected City Contributions	Expected Member Contributions	Expected Benefit Payments	Expected Refunds
August 31, 2023	$ 26,742,286	$ 16,398,686	$ 85,226,143	$ 5,718,006
August 31, 2024	27,410,843	16,808,653	77,088,847	5,860,956
August 31, 2025	28,096,114	17,228,869	79,229,495	6,007,480
August 31, 2026	28,798,517	17,659,591	81,232,207	6,157,667
August 31, 2027	29,518,480	18,101,081	83,060,028	6,311,608
August 31, 2028	30,256,442	18,553,608	85,013,401	6,469,398
August 31, 2029	31,012,853	19,017,448	86,742,796	6,631,133
August 31, 2030	31,788,174	19,492,884	88,470,509	6,796,912
August 31, 2031	32,582,879	19,980,206	90,184,969	6,966,835
August 31, 2032	33,397,451	20,479,712	91,699,819	7,141,005

[1] Based on projected payroll.

Schedule A - Membership Data

	September 1, 2022[1]	September 1, 2020[1]	September 1, 2018[1]	September 1, 2016[1]	September 1, 2014[1]
1. Active members					
a. Number vested	1,293	1,585	1,902	2,008	1,996
b. Number non-vested	2,835	2,719	2,443	2,209	2,153
c. Total	4,128	4,304	4,345	4,217	4,149
d. Covered payroll	$ 180,531,963	$ 167,790,367	$ 167,225,529	$ 156,336,028	$ 153,613,608
e. Average annual pay	$ 43,734	$ 38,985	$ 38,487	$ 37,073	$ 37,024
f. Percent change in average annual pay	12.2%	1.3%	3.8%	0.1%	3.6%
g. Average age	45.2	45.4	45.8	46.5	46.8
h. Average service (years)	9.9	9.6	10.1	10.6	10.7
2. Retired members					
a. Number currently being paid from Plan[2]	3,657	3,476	3,174	2,863	2,627
b. Total current annual benefit	$ 75,621,789	$ 68,772,742	$ 59,700,507	$ 52,488,661	$ 46,393,663
c. Average current annual benefit	$ 20,679	$ 19,785	$ 18,809	$ 18,333	$ 17,660
d. Average age	70.4	70.2	69.8	69.4	69.1
3. Deferred vested members					
a. Number entitled to deferred benefits[3]	173	162	181	141	150
b. Total deferred annual benefit	$ 2,531,924	$ 2,238,717	$ 2,624,290	$ 1,949,199	$ 1,981,100
c. Average deferred annual benefit	$ 14,635	$ 13,819	$ 14,499	$ 13,824	$ 13,207
d. Average age	50.4	49.7	48.4	49.7	49.1

[1] Census data provided as of July 1 preceding the valuation date is assumed to be the same as of September 1. Compensation amounts have been adjusted for two months at assumed salary increases.

[2] Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Plan (120 as of July 1, 2020; 99 as of July 1, 2022).

[3] Excludes terminated members entitled to refunds of contributions paid after July 1 (999 members with $7,407,577 in contributions as of July 1, 2020; 1,367 members with $10,133,543 in contributions as of July 1, 2022).

Schedule A - Pension Benefit Recipients (Retirees and Beneficiaries) Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Valuation Date	Number	Annual Pension Benefits	Number	Annual Pension Benefits	Number	Annual Pension Benefits	Percent Increase in Pension Benefits	Average Annual Pension Benefit
September 1, 2022	471	$ 12,699,881	290	$ 5,850,834	3,657	$ 75,621,789	10.0%	$ 20,679
September 1, 2020	514	$ 11,931,948	212	$ 2,859,713	3,476	$ 68,772,742	15.2%	$ 19,785
September 1, 2018	492	$ 10,185,670	181	$ 2,973,824	3,174	$ 59,700,507	13.7%	$ 18,809

Schedule B - Summary of Benefit Provisions

First Tier Plan

Final Wages

The greatest of (i) average of Member's total earnings in the 36 months before retirement, (ii) average of Member's base pay for the year before retirement, or (iii) Member's base pay in the month preceding retirement.

Member

All classified civil service employees of the City of El Paso, except for members of the Policemen's or Firemen's Pension Fund. Permanent part-time employees and certain full-time employees not in the classified civil service are not required to participate but may elect to do so. Special rules apply to certain "grant-funded" employees. The First Tier Plan applies to employees who become plan participants prior to September 1, 2011.

Credited Service

Years and months of service while a Member. At retirement, a Member may convert unused sick leave to service under the plan. An unlimited amount of sick leave may be converted to benefit service. Alternatively, up to six months of sick leave may be applied to meet a benefit eligibility requirement, but if so used, such service cannot also be used in the calculation of the benefit amount.

Contribution Rates

Effective September 1, 2014, active members contribute 8.95% of his/her wages per year. The City contributes 14.05% of the member's wages per year.

Service Retirement Benefits

Normal Retirement Benefit

Eligibility

Age 55 with 10 years of Credited Service, age 60 with 7 years of Credited Service, or 30 years of Credited Service, if earlier.

Benefit

2.50% of Final Wages times years of Credited Service, subject to a minimum benefit of $75.

Early Retirement Benefit

Eligibility

Age 40 with 10 years of Credited Service, or age 45 with at least 7 years of Credited Service.

Benefit

2.50% of Final Wages times years of Credited Service, multiplied by the appropriate actuarial reduction factor.

Deferred Retirement Benefit

Eligibility

Age 40 with 10 years of Credited Service, or age 45 with at least 7 years of Credited Service.

Benefit

2.50% of Final Wages times years of Credited Service, payable at early retirement age reduced in accordance with the Early Retirement Benefit or unreduced at normal retirement age.

Schedule B - Summary of Benefit Provisions (continued)

Withdrawal (Refund) of Contributions

Eligibility

Immediate.

Benefit

Total employee contributions without interest. If the member has more than five years of service, contributions are paid with interest, credited annually at 5.5%. No other benefits are payable under the Plan once the contributions are withdrawn.

Survivor Benefits

Qualified Surviving Spouse or Child Benefit

Eligibility

Death of a Member due to a job-related accident or age 40 with ten years of service or age 45 with seven years of service.

Benefit

Amount payable if Member had retired immediately prior to death with a Joint and 100% option, subject to a $75 per month minimum benefit. If death is due to a job-related accident, there is a minimum $550 per month benefit and the benefit is computed as if the Member were age 70 with 30 years of service. Benefits payable to the surviving spouse continue for life or until remarriage. If Member was not eligible for Early Retirement or death was not due to a job-related accident, a refund of contributions is available to the beneficiary, as described above.

Disability Retirement Benefit

Eligibility

Disability as a result of a job-related cause or any injury not due to the Member’s own fault if Member has seven years of service.

Benefit

2.50% of Final Wages times Credited Service, with a minimum benefit of $75 per month (or $250 per month if disability is job-related).

Normal Form of Retirement Benefit

Joint and 2/3 survivor annuity. Optional forms of benefit are life only, joint and 100% survivor, joint and 50% survivor, and modified cash refund.

Schedule B - Summary of Benefit Provisions (continued)

Second Tier Plan

Final Wages

The average of Member's total earnings in the 36 months before retirement.

Member

All classified civil service employees of the City of El Paso, except for members of the Policemen's or Firemen's Pension Fund. Permanent part-time employees and certain full-time employees not in the classified civil service are not required to participate but may elect to do so. Special rules apply to certain "grant-funded" employees. The Second Tier Plan applies to employees who become plan participants after August 31, 2011.

Credited Service

Years and months of service while a Member. At retirement, a Member may convert unused sick leave to service under the plan. An unlimited amount of sick leave may be converted to benefit service. Alternatively, up to six months of sick leave may be applied to meet a benefit eligibility requirement, but if so used, such service cannot also be used in the calculation of the benefit amount.

Contribution Rates

Effective September 1, 2014, active members contribute 8.95% of his/her wages per year. The City contributes 14.05% of the member's wages per year.

Service Retirement Benefits

Normal Retirement Benefit

Eligibility

Age 60 with 7 years of Credited Service, or 35 years of Credited Service, if earlier.

Benefit

2.25% of Final Wages times years of Credited Service, subject to a minimum benefit of $75, limited to 90% of the 3-year final average pay.

Early Retirement Benefit

Eligibility

Age 45 with 7 years of Credited Service.

Benefit

2.25% of Final Wages times years of Credited Service, multiplied by the appropriate actuarial reduction factor.

Deferred Retirement Benefit

Eligibility

Age 45 with 7 years of Credited Service.

Benefit

2.25% of Final Wages times years of Credited Service, payable at early retirement age reduced in accordance with the Early Retirement Benefit or unreduced at normal retirement age.

Schedule B - Summary of Benefit Provisions (continued)

Withdrawal (Refund) of Contributions

Eligibility

Immediate.

Benefit

Total employee contributions without interest. If the member has more than seven years of service, contributions are paid with interest, credited annually at 3.0%. No other benefits are payable under the Plan once the contributions are withdrawn.

Survivor Benefits

Qualified Surviving Spouse or Child Benefit

Eligibility

Death of a Member due to a job-related accident or age 45 with seven years of service.

Benefit

Amount payable if Member had retired immediately prior to death with a Joint and 100% option, subject to a $75 per month minimum benefit. If death is due to a job-related accident, there is a minimum $550 per month benefit and the benefit is computed as if the Member were age 70 with 30 years of service. Benefits payable to the surviving spouse continue for life or until remarriage. If Member was not eligible for Early Retirement or death was not due to a job-related accident, a refund of contributions is available to the beneficiary, as described above.

Disability Retirement Benefit

Eligibility

Disability as a result of a job-related cause or any injury not due to the Member's own fault if Member has seven years of service.

Benefit

2.25% of Final Wages times Credited Service, with a minimum benefit of $75 per month (or $250 per month if disability is job-related).

Normal Form of Retirement Benefit

Joint and 2/3 survivor annuity. Optional forms of benefit are life only, joint and 100% survivor, joint and 50% survivor, and modified cash refund.

Changes in plan provisions since the previous valuation

None.

Schedule C - Statement of Actuarial Methods and Assumptions

The economic and demographic assumptions used in the valuation were adopted by the Board in consultation with Buck. The Board's established practice is to review the experience of the Plan periodically to determine if any changes to the valuation assumptions are warranted. The assumptions and methods used in the valuation are based on the experience study for the period September 1, 2014 through August 31, 2018, and the funding policy that was formalized in 2019.

Investment Return

7.25% per year, net of expenses.

Separations Before Normal Retirement

Representative values of the assumed annual rates of withdrawal are as follows:

	Withdrawal Years of Credited Service					
Age	1	2	3	4	5	6+
25	15.0%	15.0%	12.0%	12.0%	10.0%	9.0%
30	15.0	15.0	12.0	12.0	10.0	9.0
35	15.0	15.0	9.0	12.0	10.0	7.0
40	10.0	10.0	9.0	8.0	7.0	7.0
45	10.0	10.0	9.0	8.0	7.0	7.0
50	7.5	7.5	6.0	4.0	7.0	6.0
55	7.5	7.5	6.0	4.0	4.0	6.0
60	7.5	7.5	6.0	4.0	4.0	6.0

Mortality

Mortality rates for active and deferred participants are based on the RP-2014 employee tables with Blue Collar adjustment projected with Scale MP-2019 on a fully generational basis. Mortality rates for healthy retirees and survivors are based on the RP-2014 healthy annuitant tables with Blue Collar adjustment (92% of male rates and 100% of female rates) projected with Scale MP-2019 on a fully generational basis. Mortality rates for disabled participants are based on the RP-2014 disabled annuitant table projected with Scale MP-2019 on a fully generational basis.

Disability

None assumed.

Occupational Death

5% of deaths among active participants are assumed to be job-related deaths. The remaining 95% of deaths are assumed not to be job-related.

Schedule C - Statement of Actuarial Methods and Assumptions (continued)

Salary Increases

The assumed annual rates of future salary increase attributable to longevity and promotion are as follows:

Years of Service	Annual Rate of Salary Increase
Less than 3	4.50%
3	4.00
4	4.00
5	4.00
6	4.00
7	3.50
8	3.50
9	3.50
10	3.50
11	3.50
12	3.00
13	3.00
14	3.00
15	3.00
16 or more	2.75

Total payroll is assumed to increase 2.50% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

Overtime is assumed to be 4% of base and longevity pay.

Schedule C - Statement of Actuarial Methods and Assumptions (continued)

Retirement Rates

The percentage of those eligible for retirement assumed to retire at various ages are shown below for Tier 1:

Tier 1 Retirement Rates					
	Early			Normal	
Age	Male	Female	Age	Male	Female
40	3.0%	3.0%	40	n/a	n/a
45	3.0	3.5	45	6.0%	9.0%
50	4.0	3.5	50	6.0	9.0
55	4.0	4.0	55	12.0	10.0
60	—	—	60	12.0	10.0
65	—	—	65	25.0	20.0
70	—	—	70	40.0	25.0
75+	—	—	75	100.0	100.0

The percentage of those eligible for retirement assumed to retire at various ages are shown below for Tier 2:

Tier 2 Retirement Rates					
	Early			Normal	
Age	Male	Female	Age	Male	Female
45	2.5%	2.5%	45	2.5%	2.5%
50	1.5	1.5	50	1.5	1.5
55	—	—	55	1.5	7.0
60	—	—	60	8.0	7.0
65	—	—	65	10.0	12.0
70	—	—	70	40.0	20.0
75+	—	—	75+	100.0	100.0

Schedule C - Statement of Actuarial Methods and Assumptions (continued)

Spouses

100% of active members are assumed to be married with the male three years older than the female. No children's benefits were valued.

Form of Payment

85% of participants eligible for early retirement are assumed to be paid through a joint and 2/3 survivor annuity. The remaining 15% of participants eligible for early retirement are assumed to elect a refund of contributions.

Future Expenses

None assumed.

Valuation Method

The method used to determine Normal Cost and Accrued Actuarial Liability is the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active Member which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement (separation from active service) and expressed as a level percentage of compensation. The Actuarial Accrued Liability is determined as the excess of the total present value of all pension benefits over the total present value of future Normal Costs. The Unfunded Actuarial Accrued Liability as of the valuation date is determined as the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets of the Plan. Effective with the September 1, 2019 roll-forward valuation, the Unfunded Actuarial Accrued Liability is amortized over closed 25-year periods ("layers").

Actuarial Value of Assets

The actuarial value of assets is calculated based on the following formula:

$$\begin{aligned} MV \quad & - (8/10) \times G/(L)_1 - (6/10) \times G/(L)_2 \\ & - (4/10) \times G/(L)_3 - (2/10) \times G/(L)_4 \end{aligned}$$

where:

MV = the market value of assets as of the valuation date

$G/(L)_i$ = the asset gain or (loss) (i.e., actual return on assets less expected return on assets) for the i-th year preceding the valuation date.

Changes in methods and assumptions since the previous valuation

None.

Schedule D – ASOP 51 Assessment of Risks

Actuarial Standard of Practice No. 51 (ASOP 51) requires certain disclosures of potential risks to the plan and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions.

Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience.

The more significant risk factors affecting the future funded status and contribution rates of the Plan are described below:

Investment Risk

The potential that future investment returns will be different than the current assumption of 7.25%. Plan costs are very sensitive to the market return. If market returns are lower than the assumed rate of return on assets, future costs will increase.

Contribution Risk

Under the El Paso City Municipal Code, the City contributes 14.05% of pay each year and active members contribute 8.95% of pay each year. The Actuarially Determined Contribution (ADC) for the plan year beginning September 1, 2022 is 11.02% of pay (excluding active member contributions). The ADC is currently less than the fixed City contribution rate of 14.05%. This should be monitored closely to ensure the contributions to the Plan do not fall below the ADC. If this were to happen, the liabilities of the Plan would grow faster than the assets, which would cause the unfunded liability and ADC to increase over time.

Longevity Risk

The potential that mortality rates of plan participants will be different than assumed. The mortality assumption includes an assumption for future mortality improvement. If participants live longer than the life expectancies predicted by the baseline mortality table and mortality improvement scale, benefits will be paid over a longer period of time than expected, which will lead to increases in liabilities and costs.

Other Demographic Risk

The potential that demographic experience patterns (especially retirement and turnover) will be different than assumed. If participants retire earlier than expected based on the retirement assumption, or lower turnover leads to more participants receiving benefits than expected, future liabilities and costs will increase.

Other Risks

Payroll does not grow as expected, thereby increasing future Actuarially Determined Contribution rates.

This information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the plan. **This list is not all-inclusive**; it is an attempt to identify the more significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor to make contributions to the plan when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk.

Historical Information

Monitoring certain information over time may help understand risks faced by the Plan. Historical information is included throughout this report. Some examples are:

- Historical Asset Rates of Return in Section 5 illustrates how the Plan's assets have performed over time.
- Funded Ratio History shown in Section 4 illustrates how the Plan's funded status (comparison of actuarial accrued liabilities to actuarial value of assets) has changed over time.

Schedule D – ASOP 51 Assessment of Risks (continued)

- Section 4 shows how the Actuarially Determined Contribution has changed over time.
- Schedule A shows how member census data has changed over time.

Plan Maturity Measures

There are certain measures that may aid in understanding the significant risks to the Plan.

Ratio of Cash Flow to Assets	September 1, 2018	September 1, 2020	September 1, 2022
1. Retiree and Beneficiary Actuarial Accrued Liability	$598,442,205	$677,266,185	$ 748,113,778
2. Total Actuarial Accrued Liability	1,024,379,167	1,085,022,171	1,171,459,737
3. Ratio, (1) ÷ (2)	58.4%	62.4%	63.9%

A high percentage of liability concentrated on participants in pay status indicates a mature plan (often a ratio above 60% - 65%). An increasing percentage may indicate a need for a less risky asset allocation, which may lead to a lower long-term return on asset assumption and increased costs. Higher percentages may also indicate greater investment risk as benefit payments may be greater than contributions creating an increased reliance on investment returns. This ratio should be monitored each year in the future.

Ratio of Cash Flow to Assets	FYE August 31, 2020	FYE August 31, 2021	FYE August 31, 2022
1. Contributions	$41,410,781	$40,322,787	$42,088,753
2. Benefit Payments and Refunds	70,376,992	75,230,941	84,876,133
3. Cash Flow, (1) - (2)	$ (28,966,211)	$ (34,908,154)	$ (42,787,380)
4. Fair Value of Assets	$ 877,989,396	$ 1,028,462,335	$ 907,610,032
5. Ratio, (3) ÷ (4)	(3.3%)	(3.4%)	(4.7%)

When this cash flow ratio is negative, more cash is being paid out than deposited in the trust. Negative cash flow indicates the trust needs to rely on investment returns to cover benefit payments and/or may need to invest in more liquid assets to cover the benefit payments. More liquid assets may not generate the same returns as less liquid assets, which can increase the investment risk. Currently, the low magnitude of the ratio implies there may already be enough liquid assets to cover the benefit payments, less investment return is needed to cover the shortfall, or only a small portion of assets will need to be converted to cash. Therefore, the investment risk is likely not amplified at this time. This maturity measure should be monitored in the future.

Contribution Volatility	FYE August 31, 2020	FYE August 31, 2021	FYE August 31, 2022
1. Fair Value of Assets	$ 877,989,396	$ 1,028,462,335	$ 907,610,032
2. Payroll	172,242,295	167,790,367	171,985,126
3. Asset to Payroll Ratio, (1) ÷ (2)	509.7%	612.9%	527.7%
4. Accrued Liability	$1,054,386,523	$1,108,078,648	$1,171,459,737
5. Liability to Payroll Ratio, (4) ÷ (2)	612.2%	660.4%	681.1%

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 10% may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 5%. Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, if an assumption change increases the liability of two plans by the same percent, the plan with a liability-to-payroll ratio of 10% may experience twice the contribution volatility than a plan with a liability-to-payroll ratio of 5%.

Schedule E – Glossary of Terms

Actuarial Accrued Liability

The portion, as determined by a particular cost method, of the total present value of benefits that is attributable to past service credit.

Actuarial Assumptions

Estimates of future experience with respect to rates of mortality, disability, turnover, retirement rate or rates of investment income and salary increases. Actuarial assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Gain (Loss) or Liability/Asset Experience

A measure of the difference between actual and expected experience based upon a set of actuarial assumptions.

Actuarial Present Value of Future Benefits

Also referred to as the present value of benefits. It is the value, as of a specified date, of an amount payable in the future, where the amount has been adjusted to reflect both the time value of money and the probability that the payment is actually made.

Actuarial Present Value of Future Normal Costs

The value, as of a specified date, of future normal costs, equal to the employer normal cost rate times the actuarial present value of future pay.

Actuarial Present Value of Future Pay

The value, as of a specified date, of future pay where the amount has been adjusted to reflect both the future value of money and the probability that the payment is actually made.

Amortization Rate or UAAL Payment

That portion of the pension plan contribution which is designed to pay off (amortize) the unfunded actuarial accrued liability in a systematic fashion.

Cost-of-living adjustments

Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

Covered Payroll

The rate of pay as of a specified date adjusted with a half-year salary increase based on the assumed salary increase assumptions.

Entry Age Actuarial Cost Method

This method assumes that the annual costs are the level premiums needed from entry age until retirement age to fund the ultimate retirement benefit. These premiums are expressed as a percentage of salary. The portion of this actuarial present value allocated to a valuation year is called the normal cost.

Schedule E – Glossary of Terms (continued)

Normal Cost

The ongoing annual cost allocated to the system by a particular actuarial cost method for providing benefits (future cost). Normal cost payments are made during the working lifetime of the member.

Unfunded Actuarial Accrued Liability

The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefit

The benefit an employee is entitled to, based on vesting service, even if the employee separates from active service prior to normal retirement age.

Table 1 - The Number and Average Annual Wages of Active Members Distributed by Fifth Age and Service as of September 1, 2022

	Years of Credited Service										
Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	71	56	1	0	0	0	0	0	0	0	128
	29,008	29,808	28,941	0	0	0	0	0	0	0	
25 to 29	142	230	46	0	0	0	0	0	0	0	418
	33,033	36,128	40,726	0	0	0	0	0	0	0	
30 to 34	94	209	146	10	0	0	0	0	0	0	459
	34,114	39,646	43,499	44,236	0	0	0	0	0	0	
35 to 39	67	144	171	77	18	0	0	0	0	0	477
	36,393	39,244	43,655	55,248	43,358	0	0	0	0	0	
40 to 44	49	143	139	91	72	10	0	0	0	0	504
	33,808	40,108	46,312	49,927	50,497	58,729	0	0	0	0	
45 to 49	31	99	137	108	93	62	6	1	0	0	537
	39,625	38,960	44,517	49,134	55,836	61,138	59,717	81,158	0	0	
50 to 54	36	118	86	85	99	81	65	15	0	0	585
	36,000	37,666	40,820	47,530	48,509	52,289	49,514	49,590	0	0	
55 to 59	19	88	88	94	81	57	51	25	7	0	510
	37,236	37,388	51,516	43,170	47,902	50,573	65,708	57,230	62,575	0	
60 to 64	13	50	74	58	65	52	28	25	12	1	378
	40,733	40,508	39,399	40,216	49,463	47,732	55,196	65,150	94,860	47,606	
65 to 69	1	18	14	17	20	15	8	3	2	0	98
	33,180	37,757	42,827	37,073	47,134	53,219	52,388	47,498	83,447	0	
70 & up	0	6	8	3	11	1	2	2	0	1	34
	0	25,369	44,517	38,055	45,632	35,035	53,511	37,472	0	39,652	
Total	523	1,161	910	543	459	278	160	71	21	2	4,128

Table 2 - The Number and Annual Retirement Allowances of Retired Members, Disabled Members and Beneficiaries by Age as of July 1, 2022

Age	Number	Benefit	Average Benefit
Less than 20	2	$ 9,200	$ 4,600
36	1	16,842	16,842
37	1	24,161	24,161
38	1	13,183	13,183
39	1	7,566	7,566
40	1	18,031	18,031
41	1	7,999	7,999
46	2	54,577	27,289
47	1	6,140	6,140
48	1	8,856	8,856
49	3	29,342	9,781
50	3	45,760	15,253
51	6	50,228	8,371
52	14	229,845	16,418
53	17	184,370	10,845
54	16	390,921	24,433
55	27	495,434	18,349
56	41	1,007,421	24,571
57	48	913,846	19,038
58	70	1,990,773	28,440
59	91	2,522,095	27,715
60	112	2,638,452	23,558
61	103	2,557,154	24,827
62	101	2,391,376	23,677
63	150	3,379,585	22,531
64	150	3,851,671	25,678
65	141	3,258,484	23,110
66	164	3,598,930	21,945
67	167	3,759,558	22,512
68	142	3,025,154	21,304
69	186	3,995,877	21,483
70	167	3,845,128	23,025
71	150	3,154,296	21,029
72	126	2,381,887	18,904
73	126	2,282,198	18,113
74	131	2,754,785	21,029
75	120	2,631,536	21,929

Table 2 - The Number and Annual Retirement Allowances of Retired Members, Disabled Members and Beneficiaries by Age as of July 1, 2022 (continued)

Age	Number	Benefit	Average Benefit
76	152	3,047,470	20,049
77	93	1,717,728	18,470
78	79	1,364,719	17,275
79	87	1,368,362	15,728
80	80	1,624,157	20,302
81	54	1,123,738	20,810
82	73	1,229,263	16,839
83	55	821,967	14,945
84	52	778,218	14,966
85	50	757,261	15,145
86	46	624,828	13,583
87	54	798,487	14,787
88	39	599,574	15,374
89	23	360,260	15,663
90	40	578,770	14,469
90 & over	96	1,294,326	13,483
TOTAL	3,657	$ 75,621,789	$ 20,679

Table 3 - The Number and Future Annual Allowances of Terminated Members, Entitled to a Future Benefit by Age as of July 1, 2022

Age	Number	Benefit	Average Benefit
32	1	$ 960	$ 960
34	1	17,880	17,880
36	2	5,832	2,916
37	1	525	525
38	1	2,188	2,188
39	4	34,191	8,548
40	1	5,660	5,660
41	1	20,756	20,756
42	5	99,559	19,912
43	4	84,845	21,211
44	6	122,697	20,450
45	3	36,976	12,325
46	9	103,993	11,555
47	9	140,264	15,585
48	11	185,615	16,874
49	9	144,522	16,058
50	6	66,075	11,013
51	11	254,128	23,103
52	14	248,629	17,759
53	16	238,808	14,926
54	13	222,432	17,110
55	13	199,280	15,329
56	5	55,812	11,162
57	5	19,126	3,825
58	2	10,776	5,388
59	3	16,560	5,520
60	4	77,003	19,251
61	3	22,560	7,520
62	4	41,835	10,459
63	2	19,080	9,540
65	2	13,440	6,720
67	1	15,120	15,120
75	1	4,797	4,797
TOTAL	173	$ 2,531,924	$ 14,635

STATISTICAL SECTION

The Statistical Section of the Trust's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Trust's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand and assess changes in the Trust's financial position over time.

- Statement of Changes in Net Positions Available for Benefit

Operating Information

These schedules provide contextual information regarding benefit payments to retirees and the Trust's retiree population.

- Schedule of Average Benefit Payment Amounts
- Average Benefit Payments by Years of Credited Service

City of El Paso Employees Retirement Trust
Statements of Changes in Net Position Available for Benefits

Additions	2023	2022	2021	2020	2019	2018	2017	2016
Contributions								
Employer	$ 33,055,632	$ 26,096,411	$ 25,603,188	$ 25,296,642	$ 26,424,696	$ 25,651,488	$ 25,327,071	$ 23,370,111
Participants	18,582,860	16,665,780	15,099,360	16,114,139	15,746,549	15,540,713	15,154,341	14,886,249
Total contributions	51,638,492	42,762,191	40,702,548	41,410,781	42,171,245	41,192,201	40,481,412	38,256,360
Investment Income								
Net appreciation (depreciation) in fair value of investments	32,555,483	(89,489,954)	201,182,318	99,563,115	7,981,580	64,832,061	74,716,005	37,856,062
Interest	2,194,209	793,010	1,049,280	4,109,088	4,169,630	3,915,267	3,808,906	4,444,138
Dividends	4,372,122	3,597,637	2,548,310	2,356,890	3,552,203	3,186,719	2,582,152	2,980,264
Securities lending income, net of expenses	569,758	-	24,567	11,184	37,424	6,801	45,478	90,861
Investment advisor fees	(1,959,424)	(2,480,568)	(2,753,808)	(3,589,807)	(2,987,728)	(6,578,777)	(5,783,774)	(5,104,720)
Increase in commission credits receivable	-	-	-	-	-	-	-	(6,532)
Gain on Disposition of assets	-	-	-	19,939	-	-	-	-
Miscellaneous income/(expenses)	-	-	-	117	66,738	10,418	2,206	-
Net investment income (loss)	37,732,148	(87,579,875)	202,050,667	102,470,526	12,819,847	65,372,489	75,370,973	40,260,073
Total additions (deductions)	89,370,640	(44,817,684)	242,753,215	143,881,307	54,991,092	106,564,690	115,852,385	78,516,433
Deductions								
Benefits paid to participants	77,170,433	78,002,080	75,728,963	66,555,726	62,251,632	58,094,939	57,972,792	51,554,209
Refunds	3,848,122	5,441,578	3,804,288	3,737,266	4,215,138	2,889,443	3,104,773	2,829,420
Prudential COLA payments	48,000	216,000	84,000	84,000	105,000	130,000	-	-
Administrative expenses	2,266,105	1,932,893	2,441,214	2,138,910	1,761,619	2,036,643	1,325,640	1,417,530
Total deductions	83,332,660	85,592,551	82,058,465	72,515,902	68,333,389	63,151,025	62,403,205	55,801,159
Change in Net Position	6,037,980	(130,410,235)	160,694,750	71,365,405	(13,342,297)	43,413,665	53,449,180	22,715,274
Net Position Available for Benefits, Beginning of Year	908,273,911	1,038,684,146	877,989,396	806,623,991	819,966,288	776,552,623	723,103,443	700,388,169
Net Position Available for Benefits, End of Year	$ 914,311,891	$ 908,273,911	$ 1,038,684,146	$ 877,989,396	$ 806,623,991	$ 819,966,288	$ 776,552,623	$ 723,103,443

City of El Paso Employees Retirement Trust
Statements of Changes in Net Position Available for Benefits
(Continued)

Additions	2015	2014	2013	2012	2011	2010	2009	2008
Contributions								
Employer	$ 22,916,913	$ 21,830,044	$ 20,499,707	$ 19,181,091	$ 17,948,799	$ 17,626,236	$ 17,245,402	$ 16,505,427
Participants	14,595,935	14,039,600	13,328,629	12,607,172	11,938,545	11,814,128	11,533,666	11,169,467
Total contributions	37,512,848	35,869,644	33,828,336	31,788,263	29,887,344	29,440,364	28,779,068	27,674,894
Investment Income								
Net appreciation in fair value of investments	(21,734,515)	103,082,579	62,831,147	43,642,344	65,579,647	36,543,336	(49,772,720)	(32,191,401)
Interest	4,888,211	5,484,840	4,183,790	1,306,942	2,899,936	3,096,694	2,198,128	1,390,187
Dividends	2,359,009	2,373,927	4,490,895	3,708,793	2,865,256	2,696,987	2,967,150	5,223,787
Securities lending income, net of expenses	126,526	117,691	273,912	146,097	146,709	116,128	378,898	478,113
Investment advisor fees	(3,510,570)	(3,336,994)	(1,873,429)	(2,097,716)	(2,546,539)	(3,195,031)	(1,876,814)	(3,066,724)
Increase in commission credits receivable	(1,577)	1,146	15,076	7,358	8,927	35,815	37,452	(15,560)
Gain on Disposition of assets	-	-	-	-	-	-	-	-
Miscellaneous income/(expenses)	-	-	-	-	-	-	-	-
Net investment income (loss)	(17,872,916)	107,723,189	69,921,391	46,713,818	68,953,936	39,293,929	(46,067,906)	(28,181,598)
Total additions (deductions)	19,639,932	143,592,833	103,749,727	78,502,081	98,841,280	68,734,293	(17,288,838)	(506,704)
Deductions								
Benefits paid to participants	48,419,841	49,375,280	43,021,060	41,688,297	37,686,480	35,223,728	32,854,259	30,114,367
Refunds	2,369,096	3,217,554	2,159,129	2,605,377	1,896,665	1,987,231	2,027,657	2,513,020
Prepaid COLA payments	-	-	-	-	-	-	-	-
Administrative expenses	1,355,351	1,143,272	1,176,347	1,108,470	918,940	753,466	748,789	847,517
Total deductions	52,144,288	53,736,106	46,356,536	45,402,144	40,502,085	37,964,425	35,630,705	33,474,904
Change in Net Position	(32,504,356)	89,856,727	57,393,191	33,099,937	58,339,195	30,769,868	(52,919,543)	(33,981,608)
Net Position Available for Benefits, Beginning of Year	732,892,525	643,035,798	585,642,607	552,542,670	494,203,475	463,433,607	516,353,150	550,334,758
Net Position Available for Benefits, End of Year	$ 700,388,169	$ 732,892,525	$ 643,035,798	$ 585,642,607	$ 552,542,670	$ 494,203,475	$ 463,433,607	$ 516,353,150

City of El Paso Employees Retirement Trust
(A Component Unit of the City of El Paso, Texas)
Schedule of Average Benefit Payment Amounts

	Number Receiving Benefits	Total Current annual benefit	Average current annual benefit	Average monthly benefit
September 1, 2022	3,657	$75,621,789	$20,679	$1,723
September 1, 2020	3,476	$68,772,742	$19,785	$1,649
September 1, 2018	3,174	$59,700,507	$18,809	$1,567
September 1, 2016	2,863	$52,488,661	$18,333	$1,528
September 1, 2014	2,627	$46,393,663	$17,660	$1,472
September 1, 2012	2,399	$40,881,148	$17,041	$1,420
September 1, 2010	2,172	$35,674,776	$16,425	$1,369
September 1, 2008	1,944	$30,512,360	$15,696	$1,308
September 1, 2006	1,743	$26,086,939	$14,967	$1,247
September 1, 2004	1,579	$22,488,610	$14,242	$1,187

City of El Paso Employees Retirement Trust

(A Component Unit of the City of El Paso, Texas)

Average Benefit Payments by Years of Credited Service

Members Retiring & Receiving Benefit During Fiscal Year

		Years of Credited Service						
		7-10	**11-15**	**16-20**	**21-25**	**26-30**	**30+**	**All**
2023	Average monthly benefit	$ 977	$ 1,150	$ 1,849	$ 2,658	$ 3,670	$ 6,028	$ 6,028
	Average monthly salary	$ 4,652	$ 3,454	$ 4,048	$ 4,613	$ 5,030	$ 6,882	$ 6,882
	Number of retirees	22	30	28	26	19	16	141
2022	Average monthly benefit	$ 651	$ 1,338	$ 1,873	$ 2,144	$ 3,358	$ 3,758	$ 1,994
	Average monthly salary	$ 3,565	$ 3,775	$ 3,952	$ 3,722	$ 4,673	$ 4,306	$ 3,966
	Number of retirees	23	48	34	22	27	15	169
2021	Average monthly benefit	$ 795	$ 1,125	$ 1,808	$ 2,283	$ 3,302	$ 4,152	$ 2,143
	Average monthly salary	$ 3,466	$ 3,409	$ 3,874	$ 3,093	$ 4,754	$ 4,697	$ 3,964
	Number of retirees	23	40	39	29	28	24	183
2020	Average monthly benefit	$ 1,058	$ 1,203	$ 1,582	$ 2,390	$ 3,219	$ 4,775	$ 2,354
	Average monthly salary	$ 5,016	$ 3,654	$ 3,460	$ 4,176	$ 4,482	$ 5,277	$ 4,215
	Number of retirees	21	41	45	40	49	27	223
2019	Average monthly benefit	$ 811	$ 1,153	$ 1,613	$ 2,291	$ 2,778	$ 5,236	$ 2,074
	Average monthly salary	$ 3,911	$ 3,528	$ 3,419	$ 3,754	$ 3,980	$ 5,768	$ 3,888
	Number of retirees	24	51	43	20	51	18	207
2018	Average monthly benefit	$ 829	$ 1,122	$ 1,948	$ 2,386	$ 3,286	$ 3,938	$ 1,993
	Average monthly salary	$ 3,676	$ 3,247	$ 4,124	$ 3,813	$ 4,412	$ 4,322	$ 3,863
	Number of retirees	36	44	40	28	30	17	195
2017	Average monthly benefit	$ 628	$ 1,059	$ 1,777	$ 2,194	$ 3,228	$ 3,536	$ 2,002
	Average monthly salary	$ 2,939	$ 3,191	$ 3,741	$ 3,740	$ 4,467	$ 4,105	$ 3,696
	Number of retirees	29	33	38	33	37	17	188
2016	Average monthly benefit	$ 782	$ 1,167	$ 1,829	$ 2,161	$ 2,773	$ 4,232	$ 1,925
	Average monthly salary	$ 3,760	$ 3,303	$ 3,869	$ 3,701	$ 3,801	$ 4,674	$ 3,921
	Number of retirees	29	30	31	34	30	11	165
2015	Average monthly benefit	$ 784	$ 1,211	$ 1,795	$ 2,373	$ 2,780	$ 3,920	$ 1,910
	Average monthly salary	$ 3,582	$ 3,662	$ 3,845	$ 4,061	$ 3,796	$ 4,363	$ 3,797
	Number of retirees	26	36	30	33	19	13	157
2014	Average monthly benefit	$ 803	$ 1,346	$ 1,423	$ 1,993	$ 2,697	$ 3,399	$ 1,786
	Average monthly salary	$ 3,766	$ 3,877	$ 3,136	$ 3,539	$ 3,678	$ 3,688	$ 3,624
	Number of retirees	23	32	22	30	21	12	140